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CREDIT

and Financial Management

Features in This Issue

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Regular Market?**

**Are You Prepared to Meet Changed
Business Methods After V-Day?**

**Some of the Financial Problems in
Foreign Trade.**

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Our Fourth War Christmas

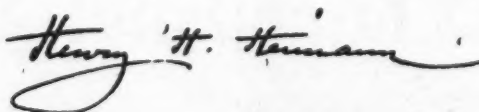
IN This month we observe our fourth war Christmas; our allies, their sixth. Almost one-third of the productive years of our generation have been years of war. What a tragic history of the civilization of our day.

Christmas, as the world has come to know it, represents far more than the nativity of Christ—it is a day set aside to the dedication of the principles He lived and taught; principles and ideals which constitute the hope and the objective of people of every faith. So universally has it been accepted and so deeply rooted in these ideals has it become, that the day itself exposes all that is good in the human race. Yes, it is a fact that even the meanest man reveals his better side on Christmas Day.

It is the ideals of such a Christmas and many more to come for which we are fighting. If we did not believe this, we would not be so zealously imbued with the righteousness of our cause. It is only when we abandon Christmas ideals that the Star of Bethlehem fades.

Our good mental deed on Christmas Day should be a firm resolution that we will fight on and on, both in war and peace, to prevent the cause of these world disasters. Let us not forget that many of those we are fighting, inherently, have the same ideals. It is our responsibility to so live and teach the real spirit of Christmas that misguided and false leaders may not again plunge their people and the world into disaster.

For many it will be a sad Christmas. We cannot forget their sacrifice. We should honor them by renewing our resolution to continue our effort, undismayed despite failure after failure, to bring about Peace on Earth, Good Will Toward Men.



Henry H. Heimann



For this service, our thanks

As a rule, wounded men talk very little. They've learned to "take it." Many live in a secret, silent world of pain—but they *know*. They know and are grateful. They remember the horrors of that last battle . . . They remember the Red Cross worker bending over them . . . the plasma . . .

Then, the hospital, with all their precious lives before them . . . Their gratitude for the innumerable small, but vitally important comforts brought to them by Red Cross Nurse's Aids and Gray Ladies is expressed by eyes grown bright—or a simple "thanks."

Only a few of us can actively serve the

Red Cross in the far-flung battle areas, but there is something we can *all* do no matter where we are. We can humbly share our blood . . . We can divide our time . . . We can give our money . . . We *can* and *must* help.

Make an appointment at your nearest blood donor center today . . . Join the hosts of Americans on the home front who are helping to make the Red Cross contribution in World War II the greatest mass effort of mercy the world has ever known . . . We must all deserve that "thanks" of our fighting men who have given so much for us.



This is the tenth of a series of advertisements dedicated to the American Red Cross by

THE HOME INSURANCE COMPANY, NEW YORK

FIRE . . . AUTOMOBILE . . . MARINE

Credit in a Competitive Postwar Market

We Must Follow Basic Principles Even in Competition



The credit executive and the credit department have progressed rapidly since the National Association of Credit Men was established in 1896. This early recognition of the need for such an Association among credit executives has been the most important factor in the rapid development of the credit department and its position in the modern business organization.

Volumes have been written and much has been said about the duties and responsibilities of the credit department. I believe that today every "wide-awake" credit executive is aware of his or her responsibility in modern business.

Naturally, the War has changed the procedure in our credit department but not the principles on which *sound credit* is granted.

We have now entered into an era of "Postwar Planning." Unfortunately, very little thought has been given to credit in the postwar planning thus far. It would be wishful thinking for the credit executive to believe that credit will handle itself in the postwar market. The thought that concerns me most is the matter of *keen competition*. This condition will surely exist due to our greatly increased manufacturing facilities. Granting that our production and sales executives are faced with this most important problem, then we as credit executives are faced with it also and we as credit executives must be prepared to meet the challenge that lies ahead.

Customers Need Help

ALL of us have been forced to drop from our ledgers certain customers who have been unable to furnish satisfactory priorities or who are not engaged in defense work. Our "all out" defense program has and will continue to force out of business many small industries. Many

By L. W. STOLTE

Credit Manager, Fairbanks, Morse & Co.,
Cleveland



of these small industries that have or will be forced out of business are customers of my company and your company. After the war you and I will again look to these smaller industries and customers for business. The interruption in their operations will naturally affect their credit standing. We, as credit executives, will be faced with the problem of rehabilitating our customer's credit. In our so-called rehabilitation of the customer's credit, *Character* will be one of the most important of the three "C's" of Credit.

Our own Henry H. Heimann, in addressing the Summer Institute of Credit Management at Babson Institute, on the subject, "The Importance of Character in the Field of Credit," stated:

"The Test of Character is *adversity*."

"Reputation is what you think you are. Character is what you are."

He further remarked to business men that:

"Your footprints will be on someone's ledger."

Credit information files on our customers should be maintained as these records will be of utmost importance in the postwar marketing.

The credit executive must be a student, he must develop the ability to *look ahead*.

There are four very important factors to consider, namely:

First: What does the management expect of the credit department in the postwar market?

Second: What does the sales manager expect of the credit department in the postwar market?

Third: What does the salesman expect of the credit department in the postwar market?

Fourth: and probably most important. What does the customer expect of the credit department of his suppliers? and—what can the credit department do to assist the customers of his company in the postwar market?

A survey of these four factors developed *one common denominator*, namely, the urgent need of a sound, adequate, and competitive method of financing, in the postwar period. Their requests covered the entire field of financing, from installment sales of heavy machinery to the consumer time payment plan.

A "Winning Play" Is Needed

I WOULD strongly recommend that every credit department make a similar survey of these four factors. I am confident that the results will greatly assist you in the postwar planning for your credit department. The information I received by letter and personal interview was very constructive and covered a wide range. The surprising point was little or no complaint regarding credit policies and credit department procedure. In other words, the rules of the game are satisfactory but we must have a

"winning play" up our sleeve.

Without exception management, sales department and customer feel that a sound method of financing will be needed in the postwar market. Sound financing not only includes installment selling but also covers seasonal terms and proper financing of dealer and distributor stocks.

If this is our "winning play," let's develop it to the utmost of our ability and still keep it on a sound credit basis.

We must assume that management, in its postwar planning, will develop new markets to seal its increased production; produce a better product at a lower cost, resulting in a competitive selling price; and finally, that the sales and marketing executives will develop their sales and distributing organizations to meet these changes.

Management will expect the credit department to remold its credit policies to help keep distribution in pace with the increased production. This does not call for a general loosening up of credit policies but it does call for maximum credit limits. I never have liked the term "credit limits." Too many times this "limit," which is often a credit department operational limit, results in a credit department employee holding up shipment for a good account. If the credit manager is away, and the order in question will bring the account over the "credit limit," the customer, who is usually in a hurry, is often forced to purchase elsewhere.

Is the "credit" limit too often a statement of our own limitation in appraising our customer?

Why "Credit Limits?"

I REALIZE that certain limits are necessary but do not underestimate the credit limits of your customers. Such a low or underestimated credit limit often means your customer buys only a small percentage of his requirements from you and the largest percentage from your competitors. Be sure you are getting all the business you can from your customers and which their financial condition permits. Interchange reports often show a customer discounting and paying when due in amounts far in excess of *your limits* and all well within *his financial limits*.

Spend more time in the field and know your customers. This will be

of prime importance in judging credit limits of these customers.

Be a business counsellor to your customers. Help them in their financial matters.

This brings us back to what, I believe, will be our "winning play," the matter of adequate and competitive financing, which seems to be the factor of vital importance to "creative credit."

In the past, many credit executives have felt that this was a matter between the customer and some finance company or banking institution. I believe that the postwar period will create the necessity for the credit department to arrange proper financing for the small industry, dealer and consumer. If you sell heavy machinery, a sound installment plan must be made available either through your own company, a banking institution or a reputable finance company. If you sell dealers smaller items of equipment, such as pumps, motor scales or small machine tools that require a floor plan for better distribution then a floor plan for financing similar to the one commonly used in the distribution of home appliances should be made available to your dealers. As far as consumer financing is concerned, be sure your dealer takes advantage of the reputable financing facilities available for consumer credit.

Plan May Bring Sale

IN many cases these installment sales are made possible only because of the credit granted. Whether the sale is large or small, be sure of the soundness of the proposition. Do not lessen your careful scrutiny of credit and always assure yourself these promises to pay can and will be met.

If wisely used installment credit can be a very valuable sales tool. Most sales and marketing executives in discussing postwar plans feel that installment selling will reach limits never dreamt of heretofore. Again, let us assume the wisdom of their convictions and be prepared.

To get the most out of your postwar market, you must understand the field you cover. Carefully study each market, understand their problems, watch and analyze the seasonal industries, such as coal mines, ice plants, sand and gravel plants, agricultural implement dealers, etc., and

be sure you are molding your credit policies to meet their specialized needs as to seasonal terms or seasonal payments and all based on *sound credit*.

In contacting people representative of management, sales and the customer have passed on to me the urgent need for these prerequisites to successful merchandising in the competitive postwar market.

I believe that every "wide awake" executive whether in production, sales or credit is aware of the magnitude of the job that lies ahead. The crying need will be *more sales*. We in the credit department must be prepared and to repeat myself, study your markets, be prepared to give them what they need on *sound credit terms* tailored to meet *their needs*. Manufacturers will have to come a long way to meet the needs of the smaller business man and finally the consumer.

New Yard-Stick for Credit

THE first and best rule for every credit executive to follow is to accept all orders that can by proper nursing be turned into profitable business.

Too strict a credit policy cuts your volume of business.

Too loose a credit policy raises losses.

The efficiency of the credit department should be measured by a *minimum of profitable business lost and by the number of doubtful and troublesome accounts collected*.

The one quality of estimable value will be diplomacy. Cooperation on the part of the credit department, sales department and customer will result in maximum sales with minimum losses. The customers who are assisted through their difficulties will not soon forget such cooperation on the part of the credit manager.

We in the credit department must not overlook the investment our company has made in developing markets for its product and in establishing the good will of its customers. Every effort should be put forth by the credit department to maintain this good will.

Your goal as a good credit executive should be to build your prestige with your sales organization and your customers so that they will do everything in their power to keep *your good will*.

Postwar Changes Will Affect Industry

Credit Men Must Be Ready to Meet New Conditions

OF

A good many months ago I had come to the conclusion that the subject of postwar planning had just about talked itself out. This subject was being discussed at every convention, conference, Chamber of Commerce meeting, etc., and I felt confident that it had been driven home to the point where everyone had made definite plans for the postwar era. The other day I sat in on a conference and to my amazement I learned that one of the country's large manufacturing organizations, and one who is unquestionably a leader in his own particular line, actually had no postwar plans. I think I can assume that there is no company represented in the gathering who has not looked into the future and already has well-laid plans for the part they are going to take in the postwar era.

If twenty-five per cent of the many postwar programs are actually adopted and become operative, the time and money expended will have been worth the effort. This assumption or opinion has been voiced by a number of eminent and seasoned business leaders. However, to proceed upon the assumption that at least seventy-five per cent of all postwar plans will materialize seems subject to question and a careful analysis.

I do not have the answers to the many questions which confront us, and the several angles which I will touch upon are by no means inclusive. Nevertheless, I believe that you will agree with me that they will serve as a good starting point, and they certainly are factors which I believe we will reckon with when peace returns. We are living in an era of social legislation. Many of us have failed to realize how these new policies have affected our thinking.

A Formula for Stability

IT is generally understood, and it should be so, that we all seek a

By E. WILLIAM LANE

*Treasurer, American Screw Company,
Providence*

formula for postwar stability. In order to obtain that stability, industry must maintain a large scale production and it must exceed prewar levels. The Federal Reserve Board has declared that consumers must buy more goods and services in the postwar years than ever before if the United States is to maintain a stable economy.

We all realize that in the postwar period the so-called "take-home" pay of the average employee will drop. Economists, the Office of Price Administration, labor officials and the Department of Commerce all agree that the shrinkage in payrolls will run anywhere from twelve billion to thirty-two billion dollars.

One of the problems we might well discuss is how to make up for this anticipated loss of purchasing power. To summarize this thought, I believe we might say that a postwar stability may be secured with a formula which would be a combination of low costs plus ample purchasing power and a reasonably high employment backed up with intelligent distribution.

Dr. Harry R. Tosdal, Professor of Business Administration at Harvard Business School, recently said: "Full employment cannot be maintained satisfactorily when peace comes unless the people want and buy goods and services in greater quantities than ever before, and it is the task of sales managers and their sales forces to convince the public that buying, selling and employment all go together." Dr. Tosdal went on to state that the depression slogan, "Sales Make Jobs," did create many jobs and that thousands of jobs must be made if both the present day worker and the veteran are to be gainfully employed.

The foregoing in a few words I believe will give you a reasonable analysis of what our postwar problem really is.

Problems of Employment

NOW, let us consider some of the problems which will affect employment and distribution.

The first thought, therefore, that I would like to have you consider is that the postwar era will place major emphasis on the social aspects. Several problems such as the re-employment of the returning veteran, the furtherance of his education and setting him up in business are now all matters of law. I believe every credit man should have upon his desk a copy of the "Serviceman's Readjustment Act of 1944" which was approved on June 22nd, 1944, and is known as Public Law 346. Regardless of what political party guides the destiny of our country in the next four years, you will see the social aspects affectively administered.

Will G. I. Joe, who worked as a clerk for one of your distributors, be content to come back as a clerk or will he want to start in business on his own? What will your attitude be toward G. I. Joe both from the standpoint of sales and distribution as well as from the credit standpoint? Can your trade stand a large number of new distributors? What about the credit policy of your company? Remember now that the "Servicemen's Readjustment Act of 1944" is the law of the land and G. I. Joe can go into business and the Government will not only furnish him with capital but will teach him how to run business. I call your particular attention to Title 3 of the Act and particularly Sections 500, 501, 502 and 503. The provisions of these Sections are very broad and you will note they provide a basis for home ownership as well

as business ownership. The provisions of these Sections provide a liberal basis for the procurement of general loans, the purchase of farms and farm equipment, the purchase or construction of homes and the purchase of business property.

It is not hard to appreciate the distribution and credit problems which may confront us. Along with the Government aid that will be available to a very large section of the people in peacetime, plus low interest rates, it is not difficult to see that the business may find itself confronted with an expanding volume of business which may or may not be sound.

Easy Money Is Likely

IT seems to be the consensus of opinion that postwar credit requirements can be met and the most recent assurance is the monthly review of the Guaranty Trust Company whose opinion is that an easy money policy is likely. With an abundant supply of cheap money, plus Government assistance to the veterans, it would seem that the stage is well set for an expanding volume of business affecting such lines as home building and some of the heavy goods industries.

Next, one development, which is not a product of the war but antedates it by some years, is what is known as the consumers co-operative movement. This is a subject in itself but let me give you some idea of what it is. "The consumer co-operative movement in the United States is big business today. Although made up of many units, most of them comparatively small, co-operatives account for a fairly sizeable slice of the nation's business. In 1943, total sales of consumers' co-operatives alone were \$750,000,000, and this year they are placed at just under \$1,000,000,000. This is equivalent to approximately 1.5% of the country's total 1944 retail trade, estimated at close to \$66,000,000,000.

"These co-operatives have 2,500,000 members, or about two per cent of our population. They operate 2,400 stores, with annual sales of \$160,000,000. Approximately half are food stores, which account for \$90,000,000 of the total business. They also operate 1,550 service stations with annual sales of \$179,000,000 and 1,226 farm supply depots, with annual sales of \$300,000,000.

Mr. Eccles on Our Future Tax Program

In an address in New York in November, Marriner S. Eccles, chairman of the Board of Governors of the Federal Reserve System had the following to say about future tax plans:

"I believe that removal of the various excise taxes and a reduction of income taxes on the lower income groups should come first. Once this has been done and revenue needs permit, I would favor a reduction in the corporate income tax. The rate might be lowered to 25 or 30 percent and the corporation permitted to take out of taxable income that part of its profits which it distributes as dividends."

"Moreover, there are thirty medical co-operatives, with an annual business of \$2,500,000; forty-one funeral associations, doing \$265,000 annually, and 325 campus co-operatives and others providing room and board. Their operations do not stop here, but extend to many other fields. There are, for instance, 825 rural electric co-operatives, doing more than \$33,000,000 annually, and 10,425 credit unions, having an annual business of \$362,779,000."

Will Go Into Housing Lines

WALLACE J. CAMPBELL, Director of the Co-operative League of the U. S. A., whose headquarters are in New York, also had this to say which in my opinion is significant: "Co-operatives also plan to go in more extensively on housing projects after the war. A dozen already are in operation, but many more are planned, according to Mr. Campbell. He also reports plans for developing electrical appliance sales and other household equipment as soon as such products again are available. Hardware lines, too, will be merchandised more extensively."

This method of distribution will affect the hardware line as you can readily see as a result of a definite postwar plan. In the eastern section of the United States, the co-operative movement is not as well known as it is in other sections of the country. However, this method of distribution may be expanded in the eastern section of the country during the postwar period.

War production has had the right of way and, of course, it has come first as it should be; nevertheless, industry as a whole has not been asleep. I now want to submit as a subject for discussion the matter of research.

The day of the inventor in the attic is a thing of the past. There is hardly any manufacturing organization of any size but what is engaged in some form of research. What is research? Well, Webster defines research in part as follows: "critical and exhaustive investigation or experimentation having for its aim the revision of an accepted conclusion in the line of newly discovered facts." There is hardly a week goes by but some periodical prints a featured story of what some particular industry has been doing in the way of experimentation of new products or an improvement of old ones. Time will not permit me to cover this important factor in detail but have you stopped to realize that some of the products that you manufacture may become obsolete or take second place?

Effect of New Inventions

FURTHERMORE, have you realized that some of your best customers who are engaged in manufacturing may be affected in a similar manner? As credit executives, it seems to me that all of our customers who come within the classification of a manufacturer should be reviewed to see what affect any development as a result of research may have on the future success of their business. Of course, many new inventions and improvements will not be known until they appear on the market. Then again the research activity of many of our customers, as I have already indicated, may mean many new products with some lines becoming obsolete. In any event, Gentlemen, developments resulting from research are bound to affect distribution and last, but by no means least, the credit structure. I believe that we can afford to spend some little time on this

subject and I urge you to give it careful consideration.

As new products develop as a result of research, they can and very likely will play a very vital part in maintaining full employment and permitting in many instances a low cost distribution which in the final analysis will have a direct bearing on consumer acceptance.

Much has been said and written pertaining to the surplus stocks owned by the Government as well as the disposal of Government owned plants. These two subjects, which are related more or less to each other, are of major importance and are worthy of full discussion. What is to become of the surplus stocks? Are they to be dumped on the market at given away prices and allowed to compete with surplus production or will they be liquidated gradually over a period of time? Is it going to be another case of few speculators cleaning up? Already press accounts indicate such things have been happening. Or is there any likelihood of these materials being exported to help rehabilitate War-stricken countries? Of course, this is basically a job for Government planning and it needs to be well defined now. If such an industry as the hardware industry and many others are to avoid a let-down, the Government must act and act promptly.

What of Government Owned Plants?

NOW let us explore the problem of Government-owned plants, the value of which runs into the billions. Are these plants to be operated in competition with private industry? Are they to be dismantled or are they going to be made available to private industry? These questions need to be solved by legislation. An industry such as our own, which is giving employment to thousands of people, and the same holds good for many other industries, believes such an organization as the National Association of Credit Men along with the efforts of other trade Associations might agitate for appropriate legislation.

Another thought which might be injected at this point is that many of these Government-owned plants may be utilized as a result of research development and used to produce new products. In any event, the idea cer-

tainly does contain a challenge which is worthy of your consideration.

To summarize, the problems of surplus Government materials and Government-owned plants need to be solved and solved quickly. Following World War I, the automobile and building industries contributed in a large way for a high level of productive activity. The hardware trade is closely linked to the building industry. There is germinating at the moment a boom in building, especially home construction, which will be fanned by the flame of cheap money. If you don't believe this, read Section 501 of the "Servicemen's Readjustment Act of 1944" which provides for the purchase and construction of homes for the veterans. In addition, there is a great deal of deferred maintenance of such industries as the railroads, not to mention, of course, the pent-up demand which has been created for homes and other properties as a result of building restrictions during the War Period.

Foreign Markets Inviting

GOVERNMENT aid to the veteran of the War and new products created through research plus an expansion of production in the building and automobile industries will, of course, go far to maintain stable employment and large-scale distribution but I believe that you will agree with me that as a country we cannot, economically speaking, live within ourselves. The potential markets in foreign countries cannot be neglected. Latin-America provides an excellent source of business and the unfortunate part of it is that many of us are not trained to handle the distribution or credit problems so that we can do an efficient job. The potentialities in the export field are vast and in a basic industry such as ours, an intelligent study of the overall export picture and, above all, the proper handling of export business by us may mean the creation of many jobs and a substantial volume of business.

The problems which I have submitted are only a few and I think we might do well to start with these today. As credit executives, it is our job to look ahead and I think that we must keep in mind that, although some economists do predict a stiffening of money rates, cheap money is likely to be available for some time to

come. With the demands that will be made, it is not beyond the realm of possibility that we will have further inflation, and just as sure as we have an inflation of values, there is bound to be deflation. The law of action and re-action are equal, but may I again remind you that our job and social responsibility is to maintain the American standard of living as far as it is humanly possible to do so and that is to provide jobs for the citizen who stayed at home and worked on War production as well as the veteran.

No business can operate without a profit and in order to make profits we must have sales, and sales make jobs. We've all got to change our thinking process when peace returns and bear in mind that there are such things as competition, and as credit men be ever mindful that no sale is a sale until the goods are paid for.

Therefore, in considering postwar planning as it affects the hardware trade that we consider the problems of the individual (such as the construction of homes, etc), individual industry planning, keeping a weather eye on research and Government planning with such factors as Government assistance to veterans and the distribution of surplus Government materials and Government-owned plants.

I started by saying that I believed postwar planning had talked itself out, but I want to correct any impression that I am of that opinion today. Postwar planning cannot stop for one moment if we are to keep faith with G. I. Joe, who is out there facing the hell of war in foxholes of muck, mire, filth and heat, and dreaming of the day when he will be back home. When he comes home he is going to expect to find that you and I and every true American have not only been doing our part in making it possible for him to win the war, but he has a right to expect to find that we have also thought about his future.

By planning better production methods, by constant research, by intensive and new sales methods, by planning for our share of foreign trade and by creating a sound financial and credit structure we can assist him in making this great country of ours and this old war-torn world a better and happier place to live.

Financial Problems of Foreign Trade

What Plan Best Suits America's Post-war Program?

By W. LATIMER GRAY

Vice-President, The First National Bank
of Boston

F As we approach the end of hostilities on the Continent of Europe, all the nations are beginning to realize that an armistice and peace will bring with them staggering problems which must be solved in order to ensure any permanent prosperity to the devastated countries, to say nothing of prosperity to that part of the world which has fortunately escaped the actual ravages of the war. Everywhere we must convert away from a machine geared to war production and endeavor to organize ourselves on a peace-time basis in industry and trade. The dislocations of World War II have been so violent and far-reaching that we almost immediately arrive beyond our own internal problems, vast as they may be, and realize that we shall require an international peace and international understanding if we are to achieve our national security.

Private industry and trade demand as a first essential the establishment of order, and this means the establishment of governments which can insure internal peace and confidence. This first of all demands political security. The United Nations have already exchanged views at Dumbarton Oaks for the sole purpose of discussing a general plan for the organization of a lasting peace. However, bound up with the political aspects are the social and economic problems, and the world today is sorely concerned with the problems of tariffs, the international extension of credit, trade practices, and particularly with currency stabilization.

Political and social peace is dependent upon the establishment of economic stability. Only through this can we provide jobs for the returning millions of soldiers, and only through the extension of international trade can we reach the higher individual standards of living and thoroughly do

the job before us after the end of hostilities. Mr. Bernstein of the United States Treasury Department, has recently indicated a guess that post-war world trade should total \$80,000,000,000, and places a total of \$18,000,000,000 as an attainable share for the United States. If such a volume of trade can be reached and maintained on a sound basis, the world can look forward to a generally higher standard of living than that enjoyed in the pre-war years, and citizens can have a right to anticipate enjoying a fuller life than has been obtainable generally in past history.

We Assume Internal Order

WE must blithely assume that nations are going to be capable of establishing a government which can maintain law and order and which is capable of sharing in the common international responsibilities and contributing their portion to the economic cooperation. In fact, the two are inter-dependent. Without internal national order, trade with a nation becomes difficult or impossible; likewise, without the free and extensive interchange of goods between nations, no one country will approach the possible maximum living standards and consequently its maximum in social and political stability and individual contentment. Trading among nations, that is, selling a foreign customer is not basically different from trading within our own borders, with the exception of one very vital fact—we cross a frontier.

After long years of political and economic serenity, the dangers caused by crossing a frontier line frequently becomes commonplace and may almost be forgotten. During war time, the barrier between frontiers often

totally prohibits the inter-change of goods. As peace approaches, we look forward to the lightening of all governmental restrictions, and the return of commerce to private hands untied from regulations. However, this transition cannot take place without the utmost care and consideration, and most of us fully realize that it would be disastrous to simply drop the matter into the laps of 40 odd nations.

We Must Know Our Way

DURING the war it has been necessary for governments and in some instances the armed forces, to actually take into their own hands all trade and commerce. In Soviet Russia it is part of the political tenets that all international trade shall remain a monopoly in government hands. Even under our brand of socialism this may to some extent be a theoretical goal, with the more extreme thinkers. However, despite the fact that we may have some such extremists in Washington, I firmly believe that we can count on our own government releasing its controls and returning trade to normal civilian channels as rapidly as conditions permit. On the other hand, those engaged in private foreign trade, the management and capital, must find out the risks which they are expected to assume, and know how far they can expect support and assistance from the private banks, and to know how far the government intends to go in direct assistance or, perhaps better yet, in endeavoring to maintain international economic stability.

In approaching this problem, I hope all of you feel as I do—that it is quite foolish to endeavor to sell abroad and not be paid. If we know that we cannot be paid, we are simply giving away our resources and might much better give away these assets within our own borders. Now, in

selling across frontiers, I know of only three ways in which payment can be obtained. The first is the shipment of gold between nations. This is a perfectly proper method to be used to reconcile fluctuations, but factually gold is an instrument rather than an end in making international settlements. Except in a few important gold producing nations, it cannot be a continuing process for settling trade balances.

The second way in which payment can be obtained is the willingness of a nation to reinvest abroad the proceeds received from the shipment of merchandise. This is a most important factor. For a century England invested wisely abroad and reaped the profits through a tremendously enhanced national income originating from outside her own boundaries. The United States has also invested abroad and some of its investments have been wise and continuously profitable. There are numerous ways to reinvest the money. Commercially, I can immediately mention the United Fruit Company in Central America, W. R. Grace and Company on the West Coast of South America, our ownership of certain public utilities abroad and, lastly, but certainly not least in importance, is the huge sum represented by our factories and assembly plants built by our larger corporations all over the world. Also, in some instances we have made safe and desirable loans to governments. At the same time, I can mention many, many bad loans which we have made abroad and, as an example, perhaps need not go further than those we made to Germany in the late 20's. However, important as foreign investments may be, we can never have a one-way street.

Interchange of Goods

WE therefore come to the third method of receiving payment; that is, by the inter-change of merchandise, or our willingness to take foreign merchandise in trade for our own. If we are to obtain a share of \$80,000,000,000 of dollars in future international trade, we must not only expect to sell a big quantity of exports abroad, but we must be prepared to buy in large quantities abroad. In the inter-change of goods, we include actual merchandise

Profits Used for Plant Expansion, Held Non-Taxable by U. S. Tax Court

In a decision handed down on November 16, the U. S. Tax Court took the position that corporations which used earnings for plant expansion rather than borrow for such expenditures, are not subject to the undistributed profits tax. The court took the view that the tax law does not prevent the plowing back of earnings in plant expansion.

and also services, such as shipping, banking, insurance, and travel. This is the essence of world commerce. When we erect barriers which preclude the easy inter-change of goods, we immediately begin to breach the firm foundation necessary for properly balanced trade and, consequently, endanger the value of exchanges and lower the standards of living which individual nations can attain.

I bespeak an unselfish approach to this problem at this time by both the United States and the British Empire. If we do not make an unselfish approach to the tariff problem and if we do not succeed in lowering the levels, particularly in the United States and perhaps secondly in the British Empire, we may well feel that a second opportunity may not be given us within our own lifetime.

By this I do not by any means recommend the sudden elimination of tariffs, since such a move would be too drastic and perhaps in some cases unwise from an international point of view, as well as from a national point of view. On the other hand, the high tariff wall around the United States, which may have had some justification a generation ago, ought to be reduced, or we will repeat the spectacle of a nation that wishes to keep its factories operating at high speed in order to maintain wide employment and high wages, but at the same time knowingly giving away its resources and birthright to foreign nations with no expectancy of repayment.

Along with tariffs I include the other trade barriers which were the product of the decade of economic warfare in the 30's and the use of which can be more or less abandoned.

Government Assistance

HOWEVER, even if the individual nations supply a more encouraging environment in which to conduct international trade, most of us will probably still look for certain governmental supervision and assistance.

One of the most frequent and one of the most apparently simple proposals made by exporters is the request for some kind of credit insurance. Internationally this has been attempted by private insurance companies, but generally speaking this has not been successful, since in order to give proper protection, the insurance company must cover not only the particular credit risk of the buyer of merchandise, but the exchange risk of the currencies. With any substantial dislocation between currencies it is obviously impossible for private companies to step in and maintain equilibrium. Consequently, many have looked to the government to extend credit insurance.

Great Britain was one of the first governments to devise a scheme of insurance. This British scheme has been in force since 1919. In its original form it was somewhat limited in character and because of comparison on limited provisions it was not generally employed by the British traders. However, since 1940 the insurance company has broadened its activities by the inauguration of what is called "The War Emergency Policy U" which protects the exporter against contingencies not insurable through any of the recognized channels. Premium rates have not been made public, and we do not yet know the policies the Underwriting Section

expects to follow after hostilities. However, it is generally expected that the insurance system in Great Britain will be continued in some form more usable and more liberal than that existing in the 20's and 30's. Certainly Great Britain will probably use governmental strength to enable its industries of moderate capital to extend credits in amounts and for lengths of time which will allow competition with any other industrial nation.

Credit Insurance in Canada

THE most talked about and the most recent credit insurance act is that of the Dominion of Canada known as "The Export Credit Insurance Act of August 15, 1944." This act provides for the establishment of a corporation which will be empowered to guarantee the payment on due date of Canadian produced goods sold abroad. The act specifically states that the new corporation is organized to facilitate and develop foreign trade and to insure against the risk of loss involved by the exporting of Canadian produced goods accruing to an exporter upon non-payment when due of the purchase price of the goods exported by reason of insolvency or delay of the importer on his ability to secure Canadian currency with which the purchase price is to be paid. All Canadian exporters will be able to have their exports insured, but this is not compulsory.

A management group is to be set up and an advisory council organized and every exporter must negotiate his particular contract with the corporation. In other words, every Canadian firm must establish relations with this corporation similar to establishing relationships with its bank. The rates will vary in each case according to the expense of the corporation; likewise, the corporation will state the terms under which it will insure the exporter. Since the corporation is at the moment in the process of operation, this is all we now know about the Canadian Act. However, this act has already aroused extreme interest among American exporters, and a study is being made by many people as to the desirability of the United States taking similar action.

Personally, I am not at all sure that we should rush into any kind of

a government insurance program covering the extension of international credits. This credit insurance does not eliminate in any way the possibility of losses between nations due to exchange problems. It merely transfers the loss from an individual shipper to the taxpayer in general. Furthermore, I believe that after sober consideration most of us would prefer financing business with as little use of government machinery and as little government interference as possible. I know that all American banks with important foreign divisions have been studying the probable requirements of the American foreign trader, and studying the banks' ability to render the desired financial assistance.

The Export-Import Bank

WE also have under the management of Warren Pierson, the Export-Import Bank in Washington, and he is already discussing and co-operating with private banks in the endeavor to provide necessary facilities desired by American commerce. I know that the banks are anxious to co-operate with the Export-Import Bank and are willing to consider plans for financing long-term foreign receivables. Private capital should ask for government guaranties and government protection only after the most careful thought and consideration, and only when we ourselves cannot safely undertake the assumption of all the surrounding risks in competition with governmental assistance given to the nationals of other competing nations.

It is perhaps appropriate now to discuss the so-called Bretton Woods Agreements, which were the results of the efforts of representatives of 44 nations to correct or solve many of the problems which I have approached or talked about up to this point. The aim of this United Nations Monetary and Financial Conference was the restoration of conditions under which commercial trade could settle balances smoothly. It also hoped to facilitate the adjustment of exchanges when it became necessary to correct basic maladjustments. The vehicles constructed to achieve these purposes were two:

The International Bank of Reconstruction and Development, and

The International Monetary Fund.

The Bank is to have a \$10,000,000,000 subscribed capital, of which amount the United States is to subscribe \$3,175,000,000. According to publication of the Board of Governors of the Federal Reserve Bank, this bank is intended to set a pattern of interest rates and other conditions for international loans, and by making the direct loans of its own resources and for such funds as it may itself borrow and by guaranteeing loans made by private investors, the bank is expected to help in the restoration of economics disrupted or destroyed by the war and to assist in reconversion to peacetime needs. And lastly to aid in the expansion of productive facilities and resources in the less developed countries. Generally speaking, there has not been too much opposition to this bank.

The International Bank Plan

WE realize that an army of occupation in reconquered territory belonging to our allies or even in conquered enemy territory, cannot disregard the civilian population. We shall have to supply food, clothing, and heat to the reasonable extent of our ability, and most of us are prepared to supply at least enough initial assistance to provide the necessary working capital to start the wheels of commerce in motion. Part of this may be accomplished by outright gifts, but as governments begin to function, it is well to suppose that, even as a matter of pride, loans rather than gifts will be requested, and at least a part of these advances can probably be equitably repaid to the loaning governments sometime in later years.

To Back-Up Private Business

IT is presumed that the world bank will make loans on as sound a basis as possible but in places where private capital might hesitate to go. Probably much or most of the money loaned may be provided by the United States. Consequently, it has been argued with some justice that if our taxpayers or our private capital supply the money which the bank loans, we should likewise have the right to dictate the terms and amounts of these loans. Nevertheless, most of us have more or less decided that it is better to have a Central Bank act

(Continued on page 23)

America's Opportunity in Foreign Trade

25th Anniversary of Foreign Credit Interchange Bureau Reminds of Possibilities

By PAUL W. MILLER

Past President, National Association of Credit Men and Vice President and Treasurer of Atlantic Steel Company, Atlanta, Ga.

(An Address at the opening of the Conference on International Credit and Finance marking the 25th Anniversary of the Foreign Credit Interchange Bureau of N.A.C.M. at Hotel Pennsylvania on November 14 and 15.)

THE growth of our foreign trade has paralleled, in a lesser volume, that of our domestic business.

However, it was the impetus of World War I that brought the first large expansion of our foreign trade. Because of that war's dislocation of sources of supply, peoples all over the world turned to America for goods and merchandise. So it follows naturally that many companies became more export minded.

It was after the close of this war period, 1919, that the Foreign Credit Interchange Bureau of the National Association of Credit Men was started in order to expedite the handling of credit information, the exchange of experience, and the dissemination of knowledge of trade regulations in different countries.

During the period of reconstruction following World War I, our export volume was maintained, but as other countries recovered from the ravishes of war and their productivity was restored, they assumed in a large measure the markets in which they were previously active.

Because of the rapid growth of our domestic business, this loss affected our prosperity but little.

However, it was generally recognized that a certain volume of foreign business had a stabilizing influence on our national economy. It was seen that concerns with both domestic and foreign trade outlets had less peaks and valleys in their volume, and this knowledge influenced more and more companies to be interested in foreign business.

This trend of expansion of foreign trade, however, was interrupted

once more by World War II. The impact of war and its accompanying handicaps made it difficult, if not impossible, to continue in foreign fields.

But despite the war restrictions, your bureau has continued to function. It has been of valuable assistance in keeping its members posted as to the rules and regulations of the War Production Board, Department of Commerce, and the Department of State.

The weekly bulletins of this bureau have promptly reported all changes affecting foreign financial operations. The monthly round table conferences have helped solve the many problems on foreign credit, collections, and exchange control.

Thus the members of this bureau have kept themselves informed as to conditions existing in other countries, so that when restrictions are lifted they will be ready to aggressively seek an increased volume of foreign business.

This brings us to the problems of a peacetime economy and just how America will meet those problems.

These problems are many, but two transcend all others. If these two can be properly solved, answers will be readily found for most all others.

Two Big Problems

THESE two problems as I see them are: First, the establishing and maintaining of world peace; second, the maintenance of an increasing level of business activity in our country so as to provide full employment for all those seeking it, in order that we may continue our American stand-

ard of living, or, better still, elevate it to greater heights.

These two problems are closely related, so if we find the solution to the first, that is, a world peace, then I am confident the answer to the second will follow.

World peace depends upon a better understanding of, and an appreciation for, the problems of different countries, different peoples, different segments of society. Throughout our history our country has only had two wars involving countries of the northern hemisphere of America. These were the War with Mexico in 1846 and the War Between the States. These could have been prevented if there had been a willingness of one party to understand and appreciate the problems of the other. For over a hundred years now our borders to the north and our borders to the south have been open for people to go and come, for commerce to have free play, for families to visit each other. Can you conceive of a war between the United States and Canada any more than you can a war between the State of New York and the State of Pennsylvania?

This friendly spirit, this attitude, and this fellowship have been brought about by our trade relationships and the transportation to and fro of our peoples and our merchandise. Our salesmen, our credit executives, our business technicians and engineers have visited back and forth and they have found out that the other fellow is pretty much of a good fellow after all—that he is a human being and that his thoughts, emotions, and feelings are not much different from

those of any other human being.

Through these trade relationships, friendships have followed and an understanding of and an appreciation for the problems of the other fellow.

Bars Natural Laws

IF such a condition can exist in our own country and in our own hemisphere, why is it not possible for it to be world-wide? It is because, in the past, there has been an attempt to prevent the operation or functioning of natural economic laws by interposing various barriers, and when one barrier was erected it brought on another, until soon, separating one country from another, there arose an artificial wall that prevented the free play of commerce and interchange of peoples. And what was the result? A lack of understanding and appreciation of the individual living across or on the other side of this man erected wall.

It is true that in the past the problem of transportation was one that made it difficult for people to visit back and forth or to establish and maintain trade relationships, but today, thanks to the progress of science, it is possible to visit any country on the globe within the span of 60 hours. No longer do oceans and mountains present natural barriers. Transportation by air brings the world as close together as our respective states were prior to War I. It will no longer be a problem to travel a sales force in South America, or Europe, or even in far Asia, because by the use of the air no member of a sales organization will be more than three days from his home office. I can think of no better way of bringing about a closer understanding of, and appreciation for, the problems of a country than by sending into that country a well-trained sales force, or traveling within that country an understanding credit executive. In them there is a greater potential for the existence of better relationships than there is within the scope of all the ambassadors and consuls that may be appointed by a state department or Department of Foreign Commerce.

Good Will Ambassadors

WHAT greater ambassadors for good will and good trade relationships would you want than such a group of men interested in selling a quality product and, at the same time, interested in developing the capacity

Tribute to Percy M. Haight

In opening the Conference on International Credit and Finance held on Nov. 14 and 15 by the Foreign Credit Interchange Bureau of the National Association of Credit Men, Henry H. Heimann, Executive Manager-on-leave, complimented the Bureau on its quarter century of achievement and praised Percy M. Haight, Vice-President and Treasurer of the International General Electric Company, who has been such an important factor in the development of this Association Bureau. Mr. Heimann read to the conference a resolution passed by the Board of Directors of the National Association of Credit Men, complimenting Mr. Haight. The text of the resolution is as follows:

"The National Association of Credit Men, by a formal unanimous vote of its Board of Directors; meeting in Denver, Colo., Sept. 23 to 25, 1944, especially commends Mr. P. M. Haight for his outstand-

ing contribution to the development of international trade through improved administration of our export credit policy.

"Mr. Haight was not only a pioneer in the organization of the Foreign Department of this Association, but has throughout its quarter of a century of existence, actively participated in the direction of its policies. His service as Chairman of the outstanding committees, his counsel in matters of foreign trade policy, his espousal of sound international commercial credits, have all contributed immeasurably to the expansion of our international trade.

"He has rendered patriotic service to his profession, his industry and his government that merits recognition throughout the nation.

"We the Board of Directors take pleasure in acknowledging this splendid service and in commending Mr. Haight for his valuable contribution to the development of the world's commerce."

of the customer to buy that product. The cultivation of various territories and countries by American salesmen, aided and abetted by sound credit policies, as explained upon visitation by credit executives, will do much to tear down artificial barriers and bring about the understanding so essential for world peace. When foreign buyers of merchandise are brought to our home offices and shown our manufacturing processes, and when our purchasing agents visit foreign countries seeking raw materials and supplies, requisite to the manufacture of our own merchandise and equipment, you can readily realize the improved relationships that must exist between countries.

This relationship will be built upon a sound foundation—a foundation predicated upon the education and training of our respective citizenry that their best interest lies in improved trade relationships and an expanding volume of commerce between all people. This can be accomplished by the force and power of advertising and by increased personal contact between the buyers and sellers out of their respective countries. Naturally,

such a growth will be slow, but built upon this type of foundation, it will be of a lasting quality.

Such relationship of which I am speaking does not come by Government mandate, nor will it follow because of a liberal lend-lease program or FEA activity.

Give the American business man the opportunity and you will find him entering foreign markets and establishing good trade relationships, resulting in a better understanding of and a fuller appreciation for the problems of peoples throughout the world. I have full confidence that the ingenuity, the commonsense, and the zeal of American business can bring about international relationships essential in establishing and maintaining a world peace.

A Really Simple Problem

FROM all sides, no doubt, I will hear the objection, "Wait a minute! The problem's solution is not as simple as that. This is far too complex a matter to have such a simple answer." And I counter with the reply that there is nothing

mysterious or complex about foreign trade. In its last analysis it is man dealing with man, business house dealing with business house. But granting that there are complexities and difficulties, I say again that they are man made.

You ask the question, "What about exchange controls, blocked balances, import restrictions, export regulations, tariff barriers, Governmental buying, Governmental purchasing commissions, cartel operations?"

I say once more that each of the regulations mentioned is but a false barrier, man made, to prevent the normal operation of some fundamental law of economics or nature.

Intense nationalism, selfishness, personal interests, and personal aggrandizement have interposed themselves to prevent the functioning of the simple laws of nature or of economic growth and development. The existence of such selfish interest is the basic cause of this war and of all other wars.

Foreign trade should be no more difficult than domestic. Why should there be any difference in selling merchandise in Australia, Spain, or Brazil than selling merchandise in California, Florida, or Kansas?

It is always the unknown that creates fear. It is the thing we do not know about that causes misunderstanding.

A New View of the World

PARADOXICAL as it may seem, this war is doing much today to eliminate the cause of future wars. Because it is global in its aspect, we have today, fighting side by side at our various fronts, individuals from all the allied countries of the globe. American boys and girls are seeing service on every continent. With them they are carrying American customs and American habits. They are teaching the peoples of these other lands our ways of living. These same boys and girls in their letters home, where it is possible, are telling about the peoples of other lands. Where our boys and girls have found civilization and standards of living below ours, it has made them realize what a wonderful selling opportunity American business has in providing these people some of the comforts and conveniences which are part of our everyday lives. When victory is won and these boys and girls return,

they will no longer fear far away places for they will have visited them and will be familiar with the land and the people. They will realize the marvelous sales opportunities that lie ahead for American business.

The laws of Mother Nature and the laws of economics are simple laws. Complications now faced are the result of man's endeavor in some manner to circumvent the application of these laws. Treat the problem as a simple problem. Do not pile commission upon commission, or agency upon agency, to find the solution, for each, in turn, will simply aggravate an already top-heavy structure. Strip the problem to its fundamentals, get down to basic principles with the realization that, after all, there lies in the breasts of humanity the same emotions, the same desires, and the same fears, whether that individual is a resident of the Argentine, of Egypt, or India. Only in degree will there will be any difference. So I say that when international relationships are established upon a thorough understanding of, and appreciation for, the feelings and the desires of the peoples of all countries, it is then, and then only, that we can hope for permanent peace.

America's Capacity Demonstrated

WITH peace once established, then the second problem mentioned earlier will quickly find its solution. The second problem is the maintenance of an increasing level of business activity so as to provide jobs for all those wishing them.

The needs of the world will be great but we have built in America a productive capacity capable of supplying those needs. The miracle of American industry's production for war can quickly be transformed to an equal miracle in producing for peace.

In addition to the production capacity, we have developed, as a part of our war effort, the most complete system of transportation and communication that the world has ever known. Our vast network of railroads, our well managed air lines, and most important of all, our Merchant Marine, are capable of transporting the world's merchandise. The entire commerce of the world can be carried by our ships and planes and railroads. Raw materials can be

transported from the places of natural abundance to those centers where they can be processed most cheaply into a variety of products which, in turn, will be carried to other lands for consumption.

Not only do we have the physical facilities needed to supply the necessary merchandise, but we have the ability to properly finance such transactions. If sound credit policies, if fundamental principles of finance, can be adhered to and made applicable to our world commerce, if the basic laws of credit are not distorted by man made laws designed for personal interest, then there can be no difficulty in financing this volume of trade. Under the leadership of our outstanding executives there should be no difficulty in developing a sound financing program, adequate in scope to handle our world trade.

Our Spirit of Enterprise

LAST, but not least, I see as the greatest asset of all the American spirit of ingenuity, of enterprise, desire to trade and to build trade, to expand the boundaries of trade areas. Yes, in this America has an asset unequalled in world history.

It has been frequently said that the day of opportunity has gone forever—that no longer is it possible to build a business. I counter that today there is unparalleled opportunity provided we have the wisdom to see it and the willingness to grasp it. No longer should business be confined to limited boundaries. The world itself is now our frontier. To our credit executive, I say, "Expand your horizon—lengthen your vision; set yourself a new goal and you will find that in the open frontiers of the world there is opportunity unlimited." Adjust your thinking, expand your vision, but **keep your thinking** along sound, fundamental principles. Adhere to the simple basic laws of nature and economics. But at the same time, spread those principles characteristic of American business, namely, good sportsmanship and fair play, throughout the world.

I sincerely believe that by so doing, the two problems facing us first in establishing and maintaining world peace, and second in providing a higher plane of civilization for all peoples, will, in a large measure, be solved.

Financing Small Business After the War

An Analysis of Short Term, Long Term and Risk Capital

By **WILLIAM G. F. PRICE**

Vice President American National Bank
and Trust Co., Chicago.



I am sure you have all heard the definition of an economist as being one who draws a mathematically straight line from a series of unwarranted assumptions to a series of foregone conclusions. And so I should like to steal a little stuff from the economists by beginning with a series of assumptions.

The first one is this—that we and our allies will win the unconditional victory we must win. The second is this—that the statesmen of the world will have both the skill and courage to form a peace which will enable us to look forward, we hope forever, but at least for a long period of years—which will enable us to go back to the business of living instead of going on living in the fear of another war.

The third assumption is that the credit of our government will be maintained—sound and solid. The next assumption is that we will continue to live and operate under our system of capitalistic economy and free enterprise, call it what you will.

The next assumption I wish to make is that in the post-war period we are going to be confronted with no inflationary rise in the price level. And the last assumption is that some satisfactory solution will be evolved for the freeing of working capital tied up in terminating war production contracts when the happy day comes.

What Is Small Business?

I f you will accept for a moment that series of assumptions, then the next logical question to ask is, "What is the definition of small business?" Since this discussion is to be devoted to financing small business, I am going to take the liberty of defining it under these three categories.

1. A small business is one which requires in the way of short term or turnover credit, \$100,000 or less.

2. Which requires intermediate or long-term credit of \$250,000 or less.

3. Which requires in the way of risk capital \$500,000 or less.

The next important thing is to arrive at some sort of conclusion as to why small business is important to discuss. Perhaps the first answer that will come to your mind, particularly in peacetime, is that "small business" is a very glib, a very attractive campaign slogan.

The census of manufacturers conducted by the Department of Commerce in 1939 revealed the fact that at that time there were in the country some three million business enterprises. Of that number, by the definition of the Department of Commerce, 92½% were small business enterprises.

The real importance, to my mind, about small business is that I am sure most, if not all, of us are committed irrevocably to our belief in the capitalistic system as the best guarantee of a political democracy. I, for one, certainly feel that. And I think it is inevitably true that unless an atmos-

phere is created and a mechanism developed which enables small business to thrive, prosper and grow, there is a very real and definite threat to our system.

I should like to state there is no thought in my mind, or thought in the minds of many people who talk about the small business situation, of antagonism or of decrying the magnificent accomplishments of big business. As a matter of fact, big business itself realizes, and many of its spokesmen have so stated, that it is to their own self-interest to maintain small business in a healthy, competitive, growing condition.

Finance Not Sole Problem

I THINK there is one other generalization we should dispose of at this time. Many of us who have spent the greater part of our business lives in the field of finance sometimes get into a blind alley whereby we feel if we have solved the financial problem of the situation, we have solved the entire problem.

The generalization I should like to dispose of at this time, is that the problem of finance is only one of the problems. I do not think if we reach a solution of that, we will solve all the problems. Those problems have been summarized for us by one authority in the field. He said the problems of small business might be encompassed under four M's as follows: 1. Manpower. 2. Merchandise and Merchandising. 3. Management, and 4. Money. This latter is the problem I am going to talk about.

I should like to break that money problem down into two parts and see how the financial needs of business group themselves. They are as follows: 1. Short-term, or what I think is the preferable term—turnover, credit. 2. Intermediate or long-term credit.

Now, what do we mean by short-

term turnover credit? That is the type, I think, most of us are familiar with. Short-term turnover credit is payable in a short period of time, say, within a year. More important is the use to which the funds are put. Generally speaking, the funds should be put to the use of carrying for a short period of time accounts receivable, merchandise, or services rendered currently. Factors, banks and finance companies not only understand that type of credit, not only have they done a fine job, but they have developed new techniques. And it is inconceivable to me in the field of short-term credit that there will be many substantial problems in the post-war world for small business.

The Long Term Type

THEN we come to the second of our financial facilities and that is the field of intermediate or long-term credit. And again, the definition of intermediate or long-term credit is that type of credit which by its term is repayable in a longer period of time—beyond a year and ranging anywhere from the one or two or five year term loan to the thirty, forty or fifty year mortgage or debenture bond issue. I think it is a mistake to consider these types of credit in terms of their repayment agreement. The important distinction is the function to which the funds are put—the use of the funds.

Here is a rough generalization. Long-term intermediate credit is used for the purpose of purchasing capital assets of some description, or permanent working capital to carry a larger volume of business. Repayment of that type credit is dependent upon profits. The payment on the first type is dependent on the turnover of assets; the second type on profits to be earned—hence its term.

It seems to me that in this field there are going to be some very real and definite problems in the post-war world—particularly for small business. I might even go so far as to say that in my judgment the problems will be almost exclusively for small business.

As you know, during the depression years running from 1931, even down to the beginning of the war, there were numerous surveys made, most of them by disinterested agencies with no axe to grind. These reviews and analysis, made carefully by

competent people, indicated that the private financial system was functioning quite well, taking care of the needs of legitimate borrowers of short-term credit, but that there was a very definite gap when it came to intermediate or long-term credit for small borrowers.

Long-Term Credit a Problem

THE reasons for that are fairly apparent. The first reason, of course, is that the longer the term of the loan, the greater the risk. It is much easier to guess ninety days ahead than nine years ahead. With the term of the credit increasing, the degree of risk tends to increase.

And the second reason, and this is what it seems to me is going to make it particularly difficult for the small borrower who needs intermediate credit after the war, is that most lenders in this field want, and are entitled to have, a stable concern, a record of earnings which will extend back during the depression period so they can see how earnings stand up when the going is tough and there isn't a layer of capital to protect their long-term commitment. There are not too many small businesses which can qualify for that.

Some figures were released within the past few months by the National Bureau of Economic Research which point to the fact that the real problem on intermediate credit after the war is going to be for the small businessman. At the end of 1940 or 1941, the figures show the average term loan which had been made by institutions—average, this is—was \$3,800,000. The average term loan made by banks was \$660,000—quite a drop. The average term loan made by the Federal Reserve Banks under Section 13—their direct loan to industry power—was \$76,000—quite a drop. The average term loan made by the Reconstruction Finance Corporation was \$52,000.

Again, I think that the presumptive evidence of the gap in the financial structure pre-war was the fact that, while term loan facilities were available to the large borrower, they were not to the small borrower except through government agencies. There may be some disagreement about it, but in any event, the gap was there.

Within the past few months the American Bankers Association has

announced formation of a credit commission for small business. The Committee Chairmanship has been taken by Bob Haynes, President of the Columbia Bank and Trust Company, one of the best informed and most courageous bankers in the country. The American Bankers Association has already raised by contribution from a group of banks the sum of \$150,000. That fund is first to be employed to study the problems of the extent and character of the needs of small business after the war.

While there has been a great deal of discussion about credit requirements in the post-war world, actually, so far as I know, no study, statistical or quantitative, has been made to attempt to measure the extent or character of those needs. It may be interesting to you to know that in addition to this American Bankers Association fund, the Federal Reserve Banks, in cooperation with the Robert Morris Associates, are engaged in making a study which will attempt to measure the amount of credit required after the war and the character. A third group is the National Bureau of Economic Research.

Bankers Study the Future

The American Bankers Association, and I do think this is a significant development, is going a step further. They are going to sponsor two things: The formation of local credit pools for the purpose of extending credit, primarily in the intermediate field, to small business; and they also are going to promulgate a study on the part of the banking system as to newer techniques in lending. This voluntary credit pool is an interesting idea. It serves two purposes: To spread risks on the insurance principle; and, even more important, there will be a pooling of experiences.

I dare say that one of the sins which the banking system has committed has been to turn down loans to perfectly good borrowers for the sole reason the bank or the banker did not actually understand enough about the fundamental nature of the business to be able properly to appraise the risk. That is a perfectly human failing. It is a perfectly good failing from their point of view. To pick an illustration out of the air, it

doesn't pay a bank who has no diamond importers to set up a diamond department just to take care of one borrower. Thus, the voluntary pool idea is not only to spread risk, but to pool experience, which I think is very important as a development.

What About Risk Capital?

WHAT about the last of our three requirements; namely, risk capital? I would like to make a clear-cut definition of risk capital. I think there has been confusion between intermediate long-term financing and risk capital. Risk capital, to my mind, is that money which is in a business and which is solely and exclusively without strings on it. It is the fund given back to the owners of the business after satisfaction of all creditors' claims. I don't care whether a loan matures in three months or thirty years, it is still a loan.

Possibly you have had the experience of sitting around a table where, because of one thing or another, a long-term debt has been prematured because of an act of bankruptcy. You had \$400,000 or \$500,000 tucked safely beneath the line of your analysis sheet, and you find those debts sitting around the table, ranking equally with you, and in some cases having a preference. It is important to distinguish between equity financing and intermediate or long-term credit.

The studies made in the pre-war period indicate there was another definite gap in the private financial structure when it came to supplying risk capital to small business. I think the reasons may be subdivided under two heads. One of these is the tax structure, and the second is the substantial cost of equity financing for small business.

As to the tax structure, I should like to mention three or four things and suggest that some combination or modification be adopted: 1. The elimination of excess profits taxes; 2. The elimination from taxation of corporate dividends; 3. An idea gaining some currency, which I realize poses some difficult administrative and legal questions (but it is not without precedent in other fields than yours) is that some alleviation in the tax structure be given specifically for the benefit of new business enterprises and some specific alleviation be

given for the benefit of the small business enterprise. Jesse Jones has stated he believes some modification will have to be made in the field of risk capital if we are to insure an atmosphere in which new business enterprises can be born and in which small enterprises can grow.

Small Stock Issues Expensive

WHAT about the high cost of public issues for small companies? The Securities and Exchange Commission every year releases a study showing the cost of public issues broken down by various classifications. The last one I have seen was that of June 30, 1942. Confining our discussion to equity capital, it showed these rather interesting figures: On common stock issues of \$550,000 or less, which is the dividing line we have assumed here, the cost to the issuer was 16%; that does not include the carrying cost of the capital. The cost for all issues of \$500,000 or over was a surprisingly lower figure—1.5%. It is broken down by gradations of size, but the general principle is: The smaller the issue, the higher the cost. I think the cost between \$500,000 and \$1,000,000 was down to 9.8%. So that, again, the small fellow who wishes to go into the public markets has to pay an almost prohibitive cost for his capital and can't get much, if anything, through that source.

The other amazing fact, to my mind, was this: Of 700 small issues registered, and the 700 covered bond issues, preferred and common stock issues, approximately one third of the issue registered never sold a single share of common or preferred stock, or a single bond. They went through the motion of registering, the stock was taken by the brokers on a so-called consignment basis where they turn over what they sold; approximately one-third never sold a bond or a share of stock, either preferred or common.

The Job for Private Financiers

IS there anything the private financial system can do about it? Frankly, I don't know. I would like to throw out this idea, however. Assuming there will be some change made in the tax structure which is a little more favorable to risk capital, it seems to me the private financial

system (and here I speak particularly of the investment bankers as well as commercial bankers, and those who are much more familiar with factoring than I am, can tell me whether they fit in or not) has this advantage in the community; generally speaking, they know people with equity capital to invest, they know the people who need that equity capital. It has been a familiar phrase to say that, "Risk capital is not our job." Of course, commercial banks legally cannot, should not, must not, invest their own or their depositors' funds in common stocks.

But it seems to me if we start with the knowledge that the investment and commercial bankers know the people on the one hand who have the money to invest and know people, on the other hand, who need money, there is some area in which the commercial bank and the banking system can operate as middlemen at no loss to themselves.

Some Conclusions

I would now like to see if we can draw some conclusions. I said I would start with a set of unwarranted assumptions and go to foregone conclusions. May I summarize the conclusions?

I would like to suggest, in the first place, that the problem of small business is not a political slogan; it is a very serious and real economic problem, the solution of which is important to all of us who do believe that a competitive system in private hands is the best guarantee we can have of the continuance of political democracy.

Secondly, the solution of the problems in the field of intermediate credit and risk capital are not easy; they are difficult. I should like to suggest during the trial-and-error period when we are trying to work out these problems, the cooperation of government agencies may not only be desirable, in some cases it may be essential.

I should like to suggest, furthermore, if we are going to solve these problems, we are going to have to get used to the idea of cooperation of private financial agencies. Some of these problems, I feel reasonably confident, can only be solved on a co-operative basis.

Lastly, I should like to suggest
(Continued on page 25)

Credit in the Future—The Manufacturers' Viewpoint



During this war period the problems of extension of credit have been small, failures have been almost negligible, and payments have been made promptly. If the experience following the last World War is duplicated, this condition will change rapidly — which means that the credit department of every organization must be alert to the problems which they will face. Many commercial accounts—which of necessity lapsed during the war period—must be reestablished, and thorough credit investigations will have to be undertaken in order to determine the present responsibility of the customer.

Under war conditions credit problems have in many instances been negligible, with the result that personnel has been substantially reduced. It will, therefore, be necessary to build up a new credit department in many organizations—and this will also involve new files which will have to be established.

In many instances companies have gone into the manufacture of a war product entirely different from their commercial products; and, as we all know, substantial risks may be incurred before the business can be reconverted to its normal peacetime product. With the tremendous expansion of war operations, the old ratio of two to one on current assets to current liabilities has not applied. In fact, even a one to one ratio may not have existed. There may also be a substantial carry-over of obligations in the form of taxes payable, sums due under renegotiation agreements, etc., all of which will have a direct bearing on the status of the customer.

To determine what has actually transpired during this war period, recourse to the customary agency reports will probably not be adequate; and it should be realized that the manpower shortage has likewise had

By **EARL R. MELLE**
*Weston Electrical Instrument Corp.,
Newark*



its effect on these organizations. Therefore, the credit manager must be more alert than ever to develop all the facts of the situation—which probably means more personal contacts with customers than ever before.

In the investigation of credit, however, the same fundamental principles which always applied in the extension of credit will unquestionably apply in the future. First and foremost, there must be integrity on the part of the management of the company—a quality that is transcendent whether the period be one of war or one of peace. Then, too, the management must have the ability to guide the affairs of the company through the labyrinth of postwar problems back to sound, peacetime operations. In addition, of course, the capital should be adequate for the volume of business to be transacted, and should not be frozen in fixed assets. However, I need not burden you with a recital of all the factors determining a good credit risk. The war may have changed many things, but these basic factors remain unaltered!

Some brief mention should be

made of certain other principles that should be carefully considered. With competition undoubtedly an important factor in the postwar period, it may be that some companies (particularly in the manufacturing field) will be able to secure an initial advantage over their competitors if they are located in less critical labor areas. That is to say, if an area is placed in the critical No. 1 classification by the War Manpower Commission, manufacturing in that area is restricted to the essential industries or "must" products, for which purpose available labor in that area is primarily diverted.

Then, too, we will have many firms with excess plant capacity resulting from war operations. They will present a credit problem as they endeavor to use such excess facilities, and apply the viewpoint that the grass always seems greener on the other side of the fence.

In addition, of course, we have the ever-present and ever-increasing problem of taxes. While our present tax burden is justified under war conditions, it cannot be continued under peacetime conditions. This means that, first of all, drastic reductions in federal bureaus and related expenses must be put into effect, and a tax program must be established which our country in general and business in particular can carry under a peacetime economy. Certainly with prevailing rates, both individual and corporate, no incentive exists to invest funds in any form of entrepreneur project, or to assume any business risk; and yet in the final analysis progress depends upon the assumption of risks on the part of the individual and the investment of capital in new business enterprises. Corporations have been able to carry the present tax burden only because of the volume of war goods produced;

(Continued on page 22)

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Credit in the Future—The Wholesalers' Viewpoint

By **HOWARD W. MINCHIN**

Vice-Pres., *Requa Electrical Supply Co., Inc.*, Rochester, N. Y.



BEfore talking about wholesale credit it is necessary to discuss the wholesaler for a few minutes.

In the past 20 years I can recall many times in which the right of the wholesaler to exist in the general business picture has been questioned. It has been argued that since it costs the wholesaler money to do business, and since he must make a profit, this adds to the cost of distribution. It is further argued that it would be fine if we could all by-pass the wholesaler and save this so-called additional cost of distribution.

These arguments are fallacious, because the wholesale function must be performed by someone; if not by the wholesaler, then by the manufacturer, and the cost of this function must be added to the price of the commodity in either event. Thus the elimination of the wholesaler would not only fail to cut the cost of distribution, but rather would increase it, since it has been quite definitely proved that the wholesaler can do the job better and cheaper than the manufacturer in most cases.

As an Aide to the Manufacturer

WHEN such agitation is started, the wholesalers immediately state their case in an attempt to justify their existence. We are told that it is desirable for a manufacturer to distribute his merchandise through a wholesaler, because the sales department of the latter can do a much more thorough job in covering a given territory than can the manufacturer whose salesmen make only infrequent calls. We are also told that the wholesaler performs a real service to small dealers. The small merchant has neither the capital nor credit to carry a large stock of merchandise in anticipation of heavy seasonal business which he would of necessity have to do if he bought direct from the manufacturer. The wholesaler takes the risk, and carries

the stock for him, and the dealer can buy practically from day to day as his demands warrant.

Again we are told that the wholesaler performs services for the large manufacturer although the latter may have sufficient purchasing power so that in many cases he can buy direct as cheaply as the wholesaler. However, in order to avoid costly shut-downs and delays in production, it would be necessary for the manufacturer to carry duplicate stocks of much of his equipment. He can avoid this extra cost by buying through and depending on the wholesaler for prompt shipments and service.

These arguments are all excellent ones, and only a few of those which are advanced. The amazing thing, however, is that seldom, if ever, is anything said about the credit department, or the services performed by the credit manager. We hear much about the sales department, the service department and the wholesalers'

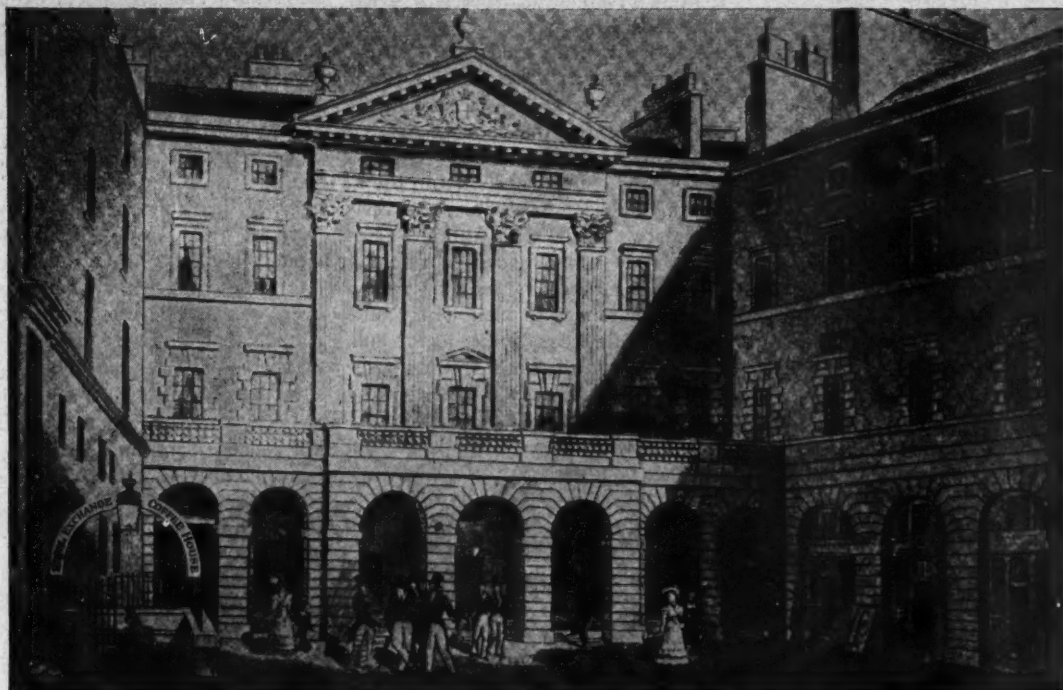
facilities for carrying large stocks of merchandise, but nothing about the functions which the credit man performs, which add greatly to the wholesalers services in the system of distribution.

As an example, I have recently seen a very excellent booklet on future planning for the wholesaler. It is a very worthwhile publication, and I have read many parts of it several times. I note, however, that although it contains approximately 25,000 words, there are only two small paragraphs totaling about 300 words applying to the credit department. I do not believe this booklet should have contained several pages concerning the technical granting of credit, but it would seem that this subject is of sufficient importance to warrant more consideration in our future planning. I say this without any criticism of those who compiled this booklet, for certainly they have done an excellent job. The blame for this, I believe, rests solely with the credit men. I do not believe that we have promoted ourselves sufficiently into the general business picture.

How Credit Men Help

I WOULD like to give a few examples of how the credit department regularly performs services of which we hear very little. The wholesale credit man is in a much better position to pass on the credit of concerns within his territory than is the manufacturer located many miles away. The manufacturer who sells direct to customers thus eliminating the wholesaler, quite generally has much larger credit losses than the manufacturer who distributes through the wholesaler. Likewise the manufacturer who attempts to sell direct, unquestionably, is forced to pass up much desirable business, because he is unable to get sufficient credit data on many accounts. Contrasted to this,

(Continued on page 22)



Commemorating

FOUNDERS' DAY

November 11, 1809

IN the sketch above the municipal buildings of Edinburgh, Scotland, are in the background. At the left is seen the entrance to the Coffee House where the first meetings of the Founders of the "North British" were held, culminating in a Resolution that the company be constituted and that business should begin on November 11, 1809.

Coffee houses had for long before 1809 been a characteristic feature of

Edinburgh's social and convivial life, and the citizens frequented them for the transaction of business, as well as for relaxation. In the original plan of the building, the ground floor was mainly assigned to coffee rooms. The spot was rich in literary associations.

The "North British" took up its first quarters in a flat for which was paid rent of thirty pounds (\$150.) per annum. From such a modest beginning the company grew until now it is an extensive organization doing a worldwide business. During the 135 years of its existence the company has gone through conflagrations, panics and hard times without wavering and has always met its obligations promptly and under every condition.



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The Manufacturers' Viewpoint

(Continued from page 18)

and as this volume is drastically reduced under peacetime conditions, tax rates must be reduced accordingly, in order to provide not only the funds necessary to pay a return to the investor, but also to interest new capital.

Another special point to consider is the matter of costs. Under war conditions costs have not been too important, as production was considered paramount and chief emphasis was placed on that phase of operations. We have now reached a situation where costs which include labor have unquestionably gotten out of hand; and if, as seems probable, labor rates are to remain on a higher base, either selling prices must be increased or substantial economies effected. During the war period increased labor costs could be absorbed on a greater volume, but this will not apply during the peacetime period. Selling prices have heretofore been largely frozen by the OPA, but in many instances they must be increased in order to absorb the additional labor costs on a reduced volume. Conversion costs will be important for many firms, particularly those with greatly expanded plants.

On the other side of the ledger is the 10% refund of excess profits taxes which has been building up from year to year, and which should be of some help; but whether or not it will be adequate will depend largely on the trend during the conversion period. The two-year carry-back feature in our tax law should also be of some help.

With so many complications arising from the peculiar conditions of these times, it is difficult to reduce the credit situation to a simple formula. Certain factors, however, seem to stand out: First, the factors deriving from basic principles of good credit practice; second, the factors deriving from the circumstances of the war and the conditions under which business has been conducted in that period (and these, of course, include postwar planning, cancellation and termination, "V" and "VT" loans, conversion and contraction, and the disposal of surplus property).

And to obtain the fullest benefit from a study of all these factors, I stress once more the importance of having credit departments modernized, properly equipped, and adequately staffed, so that the necessary machinery will be available for the conduct of this phase of a business.

Depending upon one's nature, it is possible to become pessimistic or very optimistic about the future. Certainly it is up to us as representatives of commerce and industry to use all of our ability to plan wisely and exercise a directing force, to the end that this country of ours and its business institutions may be able to continue to provide that high standard of living which has set us apart from all other countries on this globe.

The Wholesalers' Viewpoint

(Continued from page 20)

the local wholesaler is able to sell many of these accounts, due to the fact that his credit department is able to get more complete information, and because of his proximity to the account, it can be watched more closely.

As I have said, these are regular functions of the wholesaler's credit department, and I could name many others which are seldom ever advanced by a wholesaler as reasons justifying his position in our system of distributing merchandise.

Let us now pass to a consideration of the credit man within his own company. Just as he has failed to take his proper place in the general business picture, so do I believe that he has likewise failed within his own organization. Recently I sat down to dinner in our local Chamber of Commerce with another credit man. He had been with a wholesale house in a different line from my own for the past 20 years, and since his concern was a very successful one, I assumed that he himself was an able credit man. While talking with him I noticed at a nearby table the president, salesmanager and advertising manager of his concern. Upon calling this to his attention he informed me that they were meeting frequently for the purpose of postwar planning.

When questioned, he told me he understood that his concern was contemplating opening two more sales

agencies in the state, and that they had several cities under consideration. He also told me that they distributed their merchandise direct to professional men, to institutions and through dealers, and that they were considering which of these outlets could best be expanded in the future. I suggested to him that as credit manager of his concern that he would have a great deal of information which would be of value in formulating these policies. His reply, however, was that he was not being consulted, that he was "just a credit man."

A few days later, I had an opportunity to talk with the president of his concern, and in discussing post war planning, he repeated what his credit manager had told me. He informed me that his sales manager had made surveys of the territory in question; knew the buying habits of the people; the volume of business transacted in each locality and that his advertising manager was determining what advertising mediums were most widely read in each of the localities. I then asked him what information he was getting from his credit department, if any. He said that they had a very good credit manager whose record of bad debt losses was very low, and who did an excellent job in collecting his accounts receivable and was very sales minded. I told him this was not what I had in mind, and that I felt his credit man must have a great deal of information which would be of value to him in making decisions of future policies. I explained to him that I happened to know that in one of the cities which he had mentioned, there was not a single dealer discounting his bills in several lines of business, and that that particular community had a general reputation for being slow pay, and I thought it was information of this kind which he should get from his credit department. I also suggested to him that he could not determine which outlet would be the most profitable on which to exert sales effort, unless he knew the collection expense involved in selling one class of customer as compared with another; just as it was necessary for him to know the sales, shipping and other expenses involved in each case. He made notes of what I told him, and informed me that he would discuss this matter with his credit man immediately.

Financial Problems of Foreign Trade

(Continued from page 11)

in these particular cases.

Doubtless, some of the loans made will result in losses, but on the other hand, it should earn a substantial income through interest, and on the whole it is better to have a number of nations that are subscribing the original invested capital and which participate in the management that will be required to supervise the loans and attempt repayment at maturities. With a management of average honesty and capability, it is generally felt that a world bank of this nature will probably make better loans, make fewer mistakes, and ultimately collect more of the money loaned than would be the case if we ourselves made the loans through our government in Washington.

Should we attempt to make these advances alone, they would sooner or later be looked upon as political, and collection at maturity might be almost as perplexing as was the case in some of our loans made during World War I. As I have stated, there has not been too much discussion with respect to the bank, nor has too much criticism developed. The reason for this may be partly due to the fact that the really moot question is that of the International Monetary Fund.

The International Fund

THIS Fund is to total \$8,800,000,000, of which the United States will subscribe \$2,750,000,000. I again quote from an issue of the Board of Governors of the Federal Reserve System of Washington, as to its aims:

"The International Monetary Fund aims at the restoration of conditions under which transactions arising out of foreign trade could be settled smoothly with the elimination of unnecessary risks and harmful pressures on the economies of participating countries. The Fund is not intended to correct economic maladjustments in the different countries, but to exert an influence on members to undertake corrective action and to afford them time to make such action effective. It proposes to promote exchange stability and to of-

NOW... or for Reconversion can Your Business use

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These companies have used Commercial Credit money for such purposes as to increase working capital . . . to discount purchases and maintain credit . . . to make tax or renegotiation payments . . . to finance expansion or reconversion . . . to buy machinery and equipment . . . to buy other companies . . . and for other sound business uses.

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Commercial Credit makes thousands or millions quickly available for current use. Or you can arrange now to have Commercial Credit set aside all the outside cash you may need later . . . ready for you to draw upon in changing over your business for peacetime operation . . . so no possible delay in turning wartime assets into cash can hold you back in the race for civilian markets.



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fer facilities for orderly adjustment of exchanges when necessary to the correction of basic maladjustments."

Certainly we cannot disapprove of the intent of this program and I think banks and business would welcome this plan if it can reach the millennium intended. However, although the idea sounds alluring, many authorities are not yet convinced that the expected results can be attained. One of the difficulties in discussing the Monetary Fund is the fact that most of the public are hardly qualified to speak on the question.

The Monetary Plan grew out of the proposals submitted by Lord Keynes of Great Britain, and a plan submitted by Harry White of the United States Treasury in Washington. Our proposal was first called the White plan, and after many revisions finally emerged at Bretton Woods somewhat whittled down in scope, but still containing very ambitious features.

Not a Currency Stabilizer

PERHAPS the main worry is the fact that the Fund does not effectively provide for currency stabilization, but can in reality be used as a back-door method of obtaining credit for the debtor nations. I have, in a way been discussing currency stabilization, but I should like to again enumerate the essentials of currency stabilization:

First, the keystone of currency stabilization is equilibrium in the balance of payments; that is, in some manner the aggregate outgoings must not exceed the aggregate incoming payments.

Secondly, to maintain currency stabilization, a country must keep its fiscal house in order; that is, work towards balanced budgets, avoid inflation, and maintain a healthy economy.

Thirdly, international peace and political stability must be assured.

Fourth, raw materials must be made accessible to all countries, and

Fifth, and perhaps most important, is the fact that there must be a relatively free movement of goods between countries. This is the fundamental principle around which world trade of tomorrow must be built.

My basic apprehensions with respect to the Bretton Woods plans might disappear if I could be sure that

the Fund would content itself with these enumerated problems of currency stabilization and not allow it to become so all-inclusive as to end up in a cure-all for internal economic ills.

It was only a month ago that the reservations of 7 of the 44 nations accepting the Bretton Woods Agreements were made public by the Treasury. Among the reservations was one from Australia, who found the proposal placed "too little emphasis on the promotion of maintenance of high levels of employment, and too much emphasis on the promotion of exchange stability."

The effectual future of the Fund will naturally depend to a considerable extent on the management. However, as a starter I dislike the fact that participating nations can dip into it at will for reasons that at least to the extent of their quotas do not have to be discussed. I have been brought up as a credit man and have been accustomed to having borrowers make requests for loans, and to having banks only extend such credit when they consider the risks secure. We must be sure that the Fund cannot develop into an extended worldwide W.P.A.

Much Accomplished

ON the other side of the picture, we must take real satisfaction from the fact that 44 nations met together at Bretton Woods and were enabled to agree on such far-reaching proposals for a world bank and for exchange stabilization. We cannot over-emphasize the fact that the 44 nations in agreeing to the Fund subscribed to an agreement prohibiting the indiscriminate exchange restrictions, multiple exchange practices, bilateral clearing agreements, and other restrictive trade practices; furthermore, it assures participating member countries that the proceeds of sales to any one member can be used for the purchase of goods from any other member. This in itself is an achievement which should have far-reaching and constructive effect.

At the moment, the American Bankers Association, Bankers Association for Foreign Trade, National Foreign Trade Council, and particularly the New York State Bankers Association, are all making very careful and comprehensive studies of the plan and will probably make rec-

ommendations on this important matter during the next few months or probably even the next few weeks. Congress is also vitally concerned. Winthrop Aldrich, Chairman of the Chase National Bank of the City of New York, the largest bank in the world, has made alternate suggestions stressing very strongly the need of reduced tariffs and returns toward free trade. Certain committees have now under consideration the suggestion of adopting the bank but limiting the Monetary Fund to not more than \$1,000,000,000 and at least temporarily merging it into the Bank.

One of the soundest proposals seems to be the suggestion that for the first year or two after the war, we spend our main efforts in stabilizing the sterling-dollar exchange. Since the sterling part of the world and the dollar part of the world together constitute almost 70% of world trade, it might be desirable to insure a proper stabilization and operation of these two currencies before injecting 42 additional currencies which might well jeopardize the value of these two basic currencies. We should remember, however, that this plan has been worked out with the agreement of representatives of 44 nations, and that it is only part of an even larger international conception, the core of which was discussed at the Dumbarton Oaks Conference. To completely throw it over might be disastrous. Personally, I believe that some kind of a Fund is desirable; I am not convinced yet whether or not we are following a path of wisdom in establishing as far-reaching, all-inclusive a plan as is represented by the present Monetary Fund. It is something that demands the continued attention of businessmen of this country and I hope that it can be approached by Congress, by the banks, and by you with an unbiased, constructive attitude.

Chicago Exporters Hear Discussion of Foreign Currencies

Chicago: Carl M. Wynne, managing director of Overseas Industries, Inc., and president of the Export Managers Club of Chicago, spoke before the regular monthly luncheon of the Foreign Trade Group of The Chicago Association of Credit Men at the Union League Club, Tuesday noon, November 21.

Financing Small Postwar Business

(Continued from page 17)

this: most of us have given our business lives to the private financial system. Our future, to some extent our welfare, rests upon its continuance. I think we have got to take on personal responsibilities, personal points of view. I think, without sacrificing any gains we have made in the statistical technique of analyzing financial statements, we are going to have to go back and put increasing weight on the character and ability.

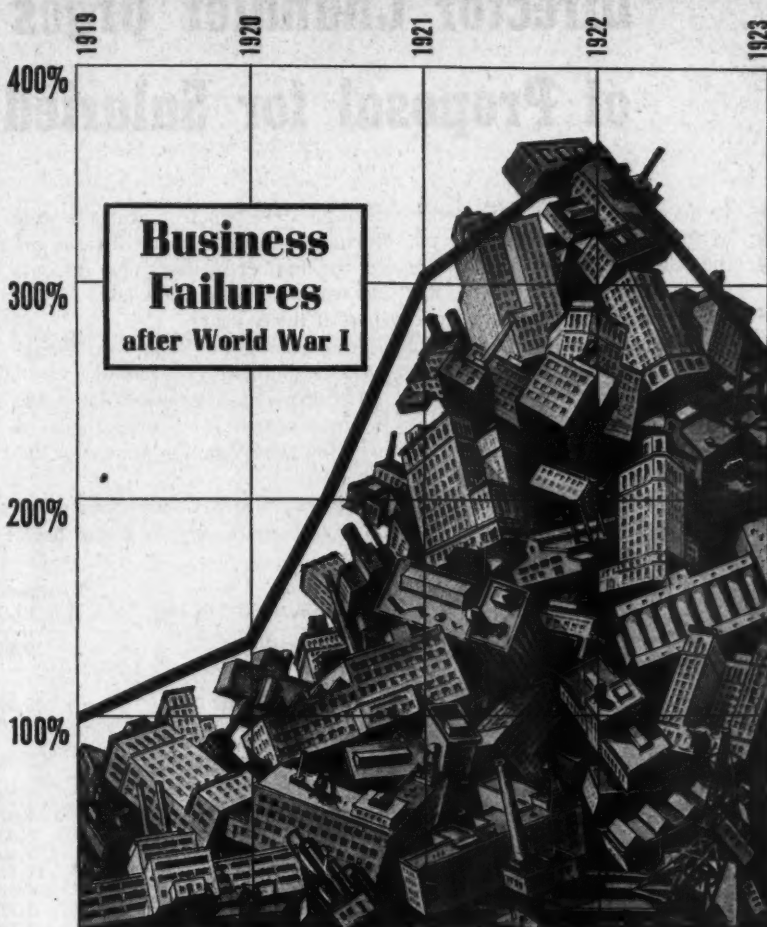
I think also we are going to have to keep our minds open to new ideas and new procedure. I think that, perhaps most important of all, we are going to have to set a goal for ourselves; the goal I would like to suggest is this: That we can't feel we have done our job well, regardless of what our profit and loss statement may show, or regardless of what our loss ratio may show, unless satisfied that every applicant in the area we serve who is worthy, who is honest, and who has ability, has received the financial assistance he needs, even though his needs may not fit into our own particular niche. I think, to accomplish that, we are going to have to use, in the years coming after the war, a far greater degree of skill, of knowledge, of ingenuity, of courage, of patience than ever before.

I should like to close by leaving with you one line which has stuck in my mind many, many years and particularly during these years when it has been so easy to lay our own faults on somebody else's shoulders—our competitors, the government, "that man"—whoever he may be; and that is an old line from Shakespeare. It goes like this: "The fault, dear Brutus, if we are underlings, lies not with our stars, but with ourselves."

Predict New Automobiles In 3 Months After VE Day

A report from Washington tells of a study now in process by the War Production Board for reconversion of industry to peacetime production. The first portion of this study, which has been completed, is based on the assumption that a 50 per cent cut in industry's war production will follow the defeat of Germany. It is predicted that the auto industry can resume production of passenger cars three months after that date.

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OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

Director Chandler Urges Adoption of Proposal for Salaried Referees

CIn his annual report as Director of the Administrative Office of the United States Courts for the fiscal year ended June 30, 1944, Harry P. Chandler, as Director, urges the early adoption of H. R. 1107, a bill which has been pending in Congress for several months to place referees on a salary basis. He points out that although the plan of putting referees on a salary basis at the present time might involve a cost to the Treasury, in the long run the Government would be considerably ahead during those years when the number of bankruptcy cases shows a big increase. He points to the chart in his report to show the number of cases filed in the span from 1914

through 1944 which indicates a wide fluctuation in the number of cases and yet the number of cases now in court has reached almost a low level for the span of thirty years.

Mr. Chandler's Report on Bankruptcy Administration follows:

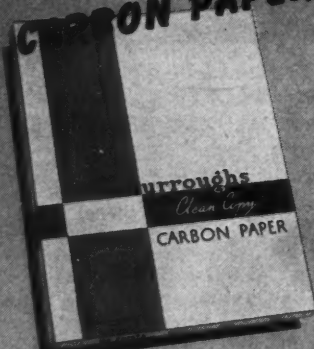
"Progress has continued to be made in improvement of the methods of handling the indemnity funds for ex-

penses of the referees. The total number of districts which have now adopted what is regarded as a model rule is 40, compared with 26 a year ago. There are other districts in which the rules, although different, are undoubtedly sufficient. Not often now are misapplications of the indemnity funds in the nature of conversion into additional compensation

Bankruptcy Cases Commenced and Terminated in the United States District Courts During the Fiscal Year Ending June 30, 1944, By District

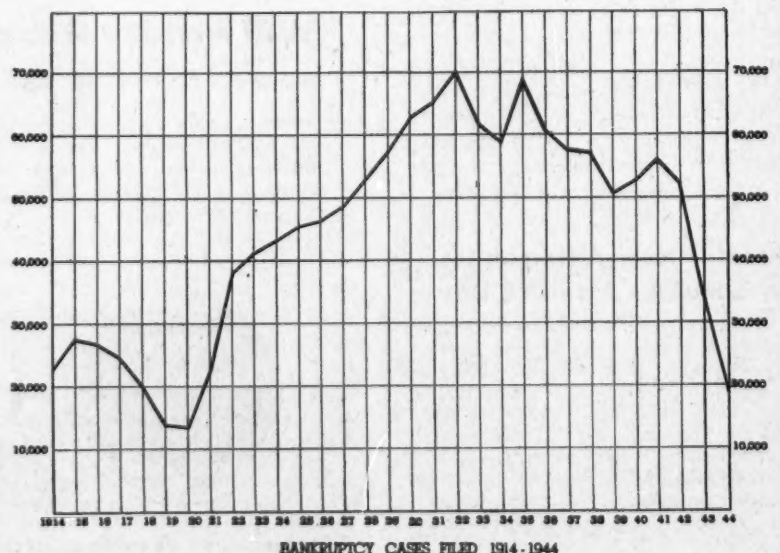
Circuit and District	Pending July 1, 1943	Commenced	Terminated	Pending June 30, 1944
Total All Districts	39,897	19,533	31,187	28,243
Total 84 Districts	36,620	19,474	31,062	28,032
District of Columbia	82	30	75	37
Districts in Territories and Possessions	195	29	50	174
First Circuit	1,288	844	1,182	950
Second Circuit	5,523	3,667	5,753	3,437
Third Circuit	2,031	1,197	1,841	1,387
Fourth Circuit	1,650	808	1,610	848
Fifth Circuit	12,416	2,780	5,017	10,179
Sixth Circuit	4,017	3,375	4,916	2,476
Seventh Circuit	2,777	2,347	3,113	2,011
Eighth Circuit	3,799	1,377	2,482	2,694
Ninth Circuit	4,958	2,599	4,120	3,437
Tenth Circuit	1,356	509	1,078	787

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contrary to the statute encountered. In districts where there is a considerable volume of farmer-debtor proceedings under Section 75 of the Bankruptcy Act, systems of handling the indemnity funds of the conciliation commissioners, similar to those in operation for the indemnity funds of the referees, are being introduced and appear to be working well.

"In this time of unprecedentedly light bankruptcy business, some consolidations of territory of referees have been arranged as vacancies have occurred, and the number of referees receiving new references has fallen from 377 in 1943 to 363 now. It may be questioned whether the process could not be carried considerably farther with a gain in efficiency. The more nearly the bankruptcy business can be concentrated in referees who each will have enough to become proficient, the better it is likely to be handled. With the end of the war the obstacles to automobile travel which now limit the area that a referee can conveniently cover are likely to be removed.

"The one fact which overshadows all others in any view of the bankruptcy administration at this time is the decline in cases being filed, to which reference has been made in an earlier part of this report. The resulting loss of income to the referees and even of money with which to pay the expenses of their offices is a matter of serious concern. Instances are increasing in which the referees not only are receiving no substantial compensation, but are advancing their personal funds in rising amounts to keep their offices going. If only the referees personally were involved, although they would receive sympathy, the matter might be dismissed. Presumably they could be absorbed into other occupations, mainly the practice of law.

"But it is the referees through whom the federal courts handle in the main the bankruptcy work. Even the little volume that there is now requires attention, and the referees know how and are in a position to give it. Many referees, particularly in the populous cities, have become full-time officers, foregoing all other work, and the increasing complexity of the bankruptcy administration calls more and more for referees with no competing interests.

"Furthermore, although we may

regret it, it is just as certain as anything in the future can be that, with the volume of business that there is in the country, and the difficulties of transition that the end of the war will bring, there will come a recurrence of bankruptcy cases in normal or greater than normal number. The courts therefore cannot look with indifference from their own standpoint upon the prospect of weakening of the referees. The courts will need the referees and the only rational course is to take appropriate steps to hold them.

"The pending bill to put the referees on a salary basis which will guarantee them a moderate but dependable income, and assure provision for their expenses (H. R. 1107), seems the logical way to do it. Although the provision for the underwriting of salaries and expenses by the Government would undoubtedly involve cost to the Treasury at this time, there seems good reason to think that in the long run, over a period of time, years of high volume of bankruptcy cases would balance
(Continued on page 36)



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CAPITAL STOCK Standard protection COMPANY INSURANCE

A. D. Johnson Tells C.E.D. Conference How N.A.C.M. Can Help in Reconversion

S The Second Southern California-Nevada Regional Conference of the Committee of Economic Development was held at the Biltmore Hotel on Nov. 9.

On behalf of the credit executives, A. D. Johnson, Secretary-Manager of the Los Angeles Credit Managers Association, said:

"The majority of the Credit Fraternity are ready today to face the future. Through our organization the Los Angeles Credit Managers' Association and through the National Association of Credit Men, local and national committees have been active for some time exploring the future endeavoring to map the unexplored territory which must be covered in the postwar development.

"We recognize the responsibilities to be faced by the credit executive and the important part the granting of credit and the extension of credit will have in economic stabilization. We consider our duty to be the preservation of industry and the perpetuation of every possible business, employers of labor. To assist those entering business by intelligently granting credit and the giving of expert advice that will assist the beginner, thus enhancing the possibility of survival.

"How does the credit executive propose to accomplish these things, is a reasonable question, and can best be answered by outlining a hypothetical case: Let us say that the 'A' Machine Company was engaged, prewar, in the manufacture of valves and fittings. This plant was converted to war work—has been successful. Now their war contract is terminated but plans have been made for reconversion to their prewar lines. This is going to take time and money. Most of their capital is tied up in the terminated contract. They have outstanding obligations. What do they need? Time and money. Your answer will be that a loan is available that's true—but even that takes time. So time is the essential element. Who can give this time—the creditors. But it takes time to reach all the creditors. Again time. Where to go to get time? The answer is the Adjustment Bureau of the Los

Angeles Credit Managers' Association, or any other Adjustment Bureau of an affiliate of the National Association of Credit Men. These are the only membership owned and controlled agencies specializing in business rehabilitation.

"The 'A' Machine Company gets in touch with a creditor or the Adjustment Bureau, a meeting of creditors is called, the facts placed before them and an extension of time recommended. This information is sent to all creditors of the 'A' Machine Company wherever they may be and their consents secured. These creditors do this because they know of and have confidence in the Adjustment Bureaus. All of this results in two very important accomplishments:

"1. The survival of the business as a possible employer of labor.

"2. The payment of outstanding obligations in the shortest possible space of time.

"You will recall I mentioned—expert advice to those entering business. The turnover of businesses or business mortality is wasteful. Much of this can be eliminated by 'know how.' More diversified lines of business are represented by this association than any other business organization. The credit executives of these members have the 'know how.' Our organization will make available to the returning soldier, wishing to enter business, the contact with the credit executive who can and will give this information. This, we believe will greatly reduce business mortality thus adding to the possible outlets for employment. Yes, the Credit Executives are ready."

Philadelphian to Celebrate Christmas At Dec. 9th Party

Philadelphia: Saturday, Dec. 9, has been selected as the date for the annual Christmas party for the Credit Men's Association of Eastern Pennsylvania. The party will be held at the Bellevue-Stratford Hotel. Arthur R. Johnson is chairman of the Entertainment Committee for the Men's Association and Lillian B. Gibbs is chairman of the Entertainment Committee for the Philadelphia Credit Women's Club which is joining in this event with the Credit Men's Association.

A preliminary announcement regarding the War Credit Congress to be held in New York City next May will be presented in the January issue of CREDIT AND FINANCIAL MANAGEMENT. In the meantime, New York Association committees are already at work on details for this important occasion.

Ohio Legislating Committees Unite For Year's Effort

Cleveland: The Legislative Chairmen of the six Ohio Associations have joined forces in what has been named the Ohio Legislative Council. The Cleveland, Legislative Committee started the movement for the organization of this council in order to unify the legislative activity in Ohio in favor of laws for the benefit of business and credit especially. Among the measures already sponsored by the Legislative Council will be the Ohio Law on Assignment of Accounts Receivable and a revision of the Law on Protection of Materialmen through public bonds. The Legislative Committee of the Cleveland Association makes a practice of issuing a bulletin at intervals dealing with legislative matters.

Boston C Men Told of Air Travel

Boston: The members of the Boston Credit Men's Association listened to an interesting talk by Robert F. Lybeck, Manager, Sales Division, Colonial Beacon Oil Company, Boston, on "You Will Fly." He presented the sound motion picture of the Sikorsky Helicopter in flight and also gave some interesting data on the development of air travel in America.

Clevelanders Hear Talk by Newswriter

Cleveland: Russell Weisman, Chief Editorial Writer of the *Plain Dealer*, who writes a column under the heading of "An Economist's Point of View" was the speaker at the Nov. 29 luncheon meeting of the Cleveland Association of Credit Men held at Hotel Statler. Mr. Weisman discussed "Problems of Post-War Economy." The Cleveland credit men also had as a special guest Ray M. Gidney, newly elected President of the Federal Reserve Bank of Cleveland. Mr. Gidney was a former Vice-President of the New York Federal Reserve Bank.

Creighton Prof. Speaks at Omaha

Omaha: Arthur G. Umscheid, Ph.D., Assistant Professor of History at Creighton University, Omaha, was the speaker at the Nov. 23 luncheon meeting of the Omaha Association of Credit Men at the Hotel Regis. E. R. Morgan, of Armour & Company, served as chairman of the Program Committee.

NEWS ABOUT CREDIT MATTERS

A section devoted to
Credit Association affairs

December, 1944

Copy deadline
10th of Month

14 Associations Form District Council at Ohio Conference

Columbus: Fourteen Associations in Ohio, West Virginia and Western Pennsylvania were represented at the Columbus Conference held at the Deshler-Wallick Hotel on November 10th and 11th. The total registration was 184.

The conference opened with a luncheon session on November 10th which was addressed by Louis J. Alber, world traveler and economist, Cleveland, whose subject was "Hitler and the Junkers."

At the Friday afternoon session several important credit problems were discussed. Professor Theodore N. Beckman, of Ohio State University of Columbus, spoke on "Price Control in the Post War Period." Clark L. Simpson, chief of the Audit Branch, Cincinnati Ordnance District, Cincinnati, discussed "Pre-Termination Action by War Agencies," and A. L. Lambie, Assistant Treasurer, Blaw-Knox Company, Pittsburgh, discussed "Contract Termination—As A Credit Man Sees It." L. W. Stolte, President of the Cleveland Association of Credit Men and Credit Manager of the Fairbanks Morse & Co., Cleveland, presided as Quiz Master for a discussion of the subjects presented.

Harold H. Burton, Senator from Ohio, was the speaker at the conference dinner on Friday evening. His subject was "The New Congress and Its Attitude Toward Business." Charles B. Rairdon, Assistant Treasurer, Owens-Illinois Glass Company, Toledo and National Vice President, N.A.C.M. acted as toastmaster at the dinner.

The Saturday session started with a breakfast at 8 A.M. with Charles W. McCool, Credit Manager, the Tresher Varnish Co., Dayton, acting as chairman. The speakers at the morning session were E. D. Reese, President, Park National Bank, Newark, Ohio, who spoke on "Post War Credits." Paul Brooks, Deputy Director in Charge of Surplus Property, also spoke on "Procedure for Disposal of Surplus Property." J. D. Ford, Credit Manager, Weirton Steel Company, Weirton, W. Va., acted as Quiz Master at this session.

A meeting of the Presidents, Councillors and Secretaries of the fourteen Associations participating in the Columbus Conference resulted in the formation of a

(Continued on page 30)

Eight Associations Reach Quotas by Nov. 1st in Membership Drive

F.C.I.B. Celebrates 25th Anniversary at 2-Day Conference

New York: The Foreign Credit Interchange Bureau celebrated its 25th anniversary on Nov. 14 and 15 with a Conference on International Credit and Finance which drew a large attendance of Bureau managers and guests.

A program of prominent speakers marked this occasion as one of great importance. Among the speakers were W. Latimer Gray, Vice-President of the First National Bank of Boston, and Paul W. Miller, Past National President, N.A.C.M. Mr. Miller spoke of the "Opportunities for Americans in Foreign Trade," and Mr. Gray spoke of the "Postwar Finance Problems." Both of these addresses were printed in full in this issue of CREDIT AND FINANCIAL MANAGEMENT.

Other addresses were made by Joseph E. Rovensky, Vice-President, Chase National Bank of New York, whose subject was "Speaking of Exports"; Philip P. McGovern, Assistant Vice-President, Manufacturers Trust Company, gave a preliminary report on a Foreign Credit Terms Survey, which is being conducted by the Foreign Credit Interchange of N.A.C.M. and the Bankers Association for Foreign Trade.

Edwin C. Wilson, Director of the Office of Special Political Affairs, Department of State, Washington, gave an address on "Significant Aspects of the Dumbarton Oaks Conference." On the second day of the Conference the usual Round Table, which is held each month by the Foreign Credit Interchange Bureau, was staged for the benefit of all members and guests present. At a Wednesday noon luncheon the general subject of "Market Research and Foreign Credit Administration" was discussed by Wroe Alderson, of Philadelphia.

A. N. Gentes, of the Guaranty Trust Company of New York and chairman of the Administrative Committee of the Foreign Credit Interchange Bureau, served

(Continued on page 34)

Solicitation of Prospects to Continue Unabated During Holidays

According to a bulletin issued by E. B. Moran, Director of Sales and Promotion, on Nov. 4, eight Associations have attained or exceeded their quota in the extensive membership campaign. The report on the morning of Nov. 20 in New York City was that the net gain in membership on that date was 918 since the start of the Association year. This is a gain of 42 since the report in the November *Members' Bulletin*.

Reports from a large number of Associations tell of enthusiastic campaigns being conducted by the smaller as well as the larger Associations.

Four in the Central Division had attained their quota on Nov. 1, three in the Western Division and one Association in the Eastern Division. However, New York, Chicago, Cleveland, St. Louis, Detroit and several other larger Associations are completing a canvass of prospects and expect to have a surprising report before Christmas.

Cleveland reached the 500 mark early in November and is out to meet the quota of 561 set by the National Membership Campaign Committee before the end of April. The Kansas City Committee has adopted the slogan of "100 More in '44." This Association started the fiscal year with 228. On Nov. 1, it had 245, and hopes to report 254 by Dec. 1, with 328 set as its goal for the entire year.

Eleven teams are now engaged in a point contest which the officers of the Toledo Association predict will put the Toledo Association even beyond its quota.

Down in Dallas the membership committee is striving to boost Dallas from third position in its class to a leadership on point basis.

At Detroit the actual membership campaign started on July 1. However, since May 1 this Association reports 52 new members with 40 new members secured since the start of the campaign. In this Association Alan G. Campbell and Mrs. Bobbie T. Hunter are co-chairmen of a committee operating under a plan using ten teams. As of Nov. 2, the team headed by

Dave Robertson was far out in the lead.

As reported in the Nov. 15 *Members' Bulletin* a special sales letter was sent early in November to some 7500 prospects in all parts of the country. This will be followed up by a letter to all the Association President and Membership Chairmen and Secretary-Managers from E. L. Blaine, Jr., National Membership Executive Committee Chairman, who will outline further some of the plans for promoting membership.

Seattle is reported on Nov. 1 as being in third place in the Class A Division having moved up from fourth position within a month. The membership activity in the Seattle Association is based on a contest, the rewards for which will be trips to the Credit Congress in New York in May.

Campaign Launched in Minnesota to Promote Par Clearance Law

St. Paul: Directors of the St. Paul Association of Credit Men were host on Nov. 17 to the directors of the Minneapolis Association and the State Committee named on June 24 at St. Paul to handle the research and educational campaign for par clearance of checks in advance of the meeting of the Legislature in January, 1945.

The State Committee is composed of Chairmen J. N. McBride of St. Paul, John E. Hoff of Duluth, H. W. Swenson of Minneapolis.

Present also at the meeting was Mr. L. C. Follet of Fargo representing Fargo-Moorhead Association and the Grand Forks Association on behalf of the work in North Dakota.

The committee outlined its over-all policy for complete informative coverage of all agricultural and business interests of the entire state and received the green light to go ahead with the extensive program recommended.

Boston "C" Men Join In Third New England War Problems Conference

Boston: The Boston Credit Men's Association was joined with other business and civic organizations in New England as co-sponsors of the Third New England War Conference which was held at the Hotel Statler, Boston, on Nov. 16 and 17. The purposes of this conference were to discuss how New England could further play a part in the prosecution of the war, to consider the responsibilities of peace and to stimulate New England's competitive position in a peacetime economy. One of the features of the conference was an exhibit of new products and new materials under the auspices of the Smaller War Plans Corporation.

Josephine Hunt Hayes

Chicago: Mrs. Josephine Hunt Hayes, one of the most widely known and highly esteemed credit executives in the country passed away at Passavant Hospital, Thursday, November 2, following an operation and was buried the following Saturday from Holy Name Cathedral. She leaves a husband and two children, her parents and other relatives.

Mrs. Hayes became active in the work of The Chicago Association of Credit Men as soon as she joined the credit force of the Hartford Fire Insurance Company in Chicago in 1925. She helped to organize and was the first president of the Credit Women's Club of Chicago and was also active in promoting credit women's clubs in many parts of the country. She attended many conventions of the National Association of Credit Men and was a well known figure in its deliberations.

14 Associations Form District Council

(Continued from page 29)

Permanent Council organization. L. W. Stolte, President of the Cleveland Association of Credit Men, was named President of this new Council. A. L. Moler, Councillor of the Cincinnati Association of Credit Men, was named Vice Chairman; and Ross McCoy, Councillor of the Credit Association of Western Pennsylvania, was named Treasurer with Kenneth S. Thomson, Executive Secretary of the Cleveland Association, named to serve as Secretary of the Council.

The Associations participating in the conference were Akron, Canton, Charleston, Cincinnati, Clarksburg, Cleveland, Columbus, Dayton, Huntington, Parkersburg-Marietta, Pittsburgh, Toledo, Wheeling and Youngstown. Fred S. Bennett, Assistant Treasurer, Aluminum Cooking Utensil Company, Pittsburgh, and a National Director, N.A.C.M., and K. Calvin Sommer, Youngstown Sheet & Tube Company, Youngstown, Ohio, also a National Director, N.A.C.M., were active in promoting and conducting this conference. Charles B. Rairdon, Owens-Illinois Company, Toledo, and Vice President of the Central Division, also served as chairman at several of the conference meetings.

Governor Darden Speaks at Richmond

Richmond: Governor Colgate W. Darden, Jr., of the Commonwealth of Virginia, spoke at the Nov. 21 dinner meeting of the Richmond Association of Credit Men. Governor Darden's subject was "Some of the Problems Confronting Virginia." Presidents of all of the civic clubs in Richmond were special guests at this meeting.

New York Credit Committees Confer On Legislation

New York: Instead of waiting for the New York State Legislature to convene in January, William F. Egelhofer of Henry Glass & Co., chairman, and A. Rothschild of The Weiss & Klau Co., vice-chairman of the Association's legislative committee, have had a preliminary meeting with Association Counsel Wm. Randolph Montgomery, representatives of other business organizations, such as Commerce and Industry Association, and a representative of the Judicial Council, to discuss legislation which may be proposed by these groups, and to formulate plans for a working arrangement between business organizations interested in similar legislation.

The Association plans to have the chairmen of its legislative, tax and insurance committees confer frequently during the coming State Legislative session, so that there may be unanimity of action on various bills introduced on these separate subjects.

Likewise, the legislative committee will keep in close contact with the Central legislative committee made up of representatives of the various affiliated Associations in the state of New York. This Committee is headed by Irving Raunick of Fairmount Creamery Co., Buffalo, N. Y.

62 Members Enrolled In New York C.M.A. Adjustment Corporation

New York: The New York Credit Men's Adjustment Bureau, Inc., recently formed on a basis of sustaining memberships, has obtained sixty-two memberships to date. President H. P. Reader of Cannon Mills, Inc., has appointed a special membership committee which will present the advantages of Adjustment Bureau membership to other members of the New York Credit Men's Association, which will make it possible to maintain during the war period an organization of trained experts which will be ready and able to serve members in connection with credit embarrassments expected at the conclusion of hostilities.

James M. Judson Dies

Chicago: James McIntosh Judson, 67, retired assistant secretary and general credit manager of the Sinclair Refining Company since it was organized, died at the Evanston, Ill., hospital, Wednesday, October 25. The company joined The Chicago Association of Credit Men in December, 1916, and Mr. Judson was always active in association work. He was on the Board of Directors and served as president in 1924. He was also on the Board of Governors of the Petroleum Refiners Group of the National Association of Credit Men.

New Jersey "C" Men Plan 6 Lectures on Postwar Credit

Newark: The New Jersey Association of Credit Men is inaugurating a series of six lectures on War and Postwar Credit Management. The first lecture was held on Nov. 27. Other lectures will be held weekly, with the exception of a holiday recess, closing on Jan. 22.

Ralph L. Smith, Credit Manager of Pyrene Manufacturing Company, was the speaker at the first of this series of lectures, his subject being "Accumulation of War and Postwar Credit Information." The subject for the Dec. 4 meeting, which will be under the direction of S. Guernsey Jones, Assistant Cashier and Manager of the Foreign Department of National Newark and Essex Banking Company, will be "War and Postwar Analysis of Credit Risks." Another discussion of the same subject will be given by Earl R. Mellen, Executive Vice-President and Treasurer of the Weston Electrical Instrument Corporation, on Dec. 11.

Memphis Credit Men Join Salesmanagers At Moran Dinner

Memphis: Ed Moran, Central Division Manager, was the guest speaker at a joint meeting of the Memphis Sales Managers Club and the Memphis Association of Credit Men at a dinner meeting held at the Chisca Hotel on Monday, Nov. 13. There were approximately 375 Credit Executives and Sales Executives present to hear Mr. Moran deliver a most timely address on "How Credits Can Help Selling Today."

The Sales Managers Club was the host for the evening and their President presided, introducing E. D. Moseley, our President, of Pidgeon-Thomas Iron Co., who in turn introduced Ed Moran. The meeting adjourned promptly at 8 o'clock and was a most successful one.

"Credit Line" Published For Service Men

New York: "The Credit Line," a six-page mimeographed news sheet, issued by the New York Chapter of the National Institute of Credit for the benefit of members who are now in service, was issued early in November. Fred Lanning is chairman of the War Service Committee which takes care of the newsy report to the men in the service on affairs in the New York Credit Association.

Educator Talks at Syracuse

Syracuse: Fred S. Nicklas, Dean of Education, Endicott, New York, was the speaker at the November dinner meeting of the Syracuse Association of Credit Men held at Hotel Onondaga, Nov. 14. Mr. Nicklas' subject was "Take the Roof Off Your Business."

President Simpson Speaks at Houston on N.A.C.M. Activities

Houston: Robert L. Simpson, National President, N.A.C.M., and President of the C. T. Patterson Co., Inc., New Orleans, was the speaker at the Nov. 21 dinner meeting of the Houston Association of Credit Men. President Simpson outlined some of the activities of the national organization and presented an interesting picture of the accomplishments of N.A.C.M.

Elbert Roberts, Referee in Bankruptcy, spoke at the Nov. 14 luncheon of the Houston Association of Credit Men at the Texas State Hotel. Mr. Roberts told of some of the bankruptcy problems and gave suggestions as to how all credit men should actively participate in Bankruptcy Court hearings.

The annual stag party of the Houston Association will be held on Dec. 15 at the Texas State Hotel.

St. Paul "C" Men Shown How Laboratory Tests Various Equipment

St. Paul: The members of the St. Paul Association were entertained by a sound motion picture entitled "Approved by the Underwriters" and provided by the Underwriters Laboratories of Chicago. The film was presented through the cooperation of the Insurance Advisory Council, which arranged for the presentation of the film in St. Paul. The film presents several phases of the testing work done by Underwriters Laboratories on building materials, casualty prevention, crime prevention, etc.

Henry Farrell Weathers Democratic Landslide

Providence: Henry T. Farrell, Executive Secretary of the Rhode Island Association of Credit Men, was one of two Republicans elected to the Providence City Council at the recent election. Henry attributes his success in breasting the Democratic landslide in Rhode Island to the strong efforts of members of the Rhode Island Association in his behalf and also his campaign slogan for a continuation of the Curfew Ordinance which he sponsored during his first term as Alderman.

N. Y. Commerce Head Talks at Binghamton

Binghamton: Dr. M. P. Catherwood, Commissioner of the New York State Department of Commerce, spoke at the Nov. 15 meeting of the Triple Cities Association of Credit Men, held at the Arlington Hotel. Commissioner Catherwood has been head of the New York State Commerce Agency since its origin in 1941. The agency was recently elevated to the status of a State Department. Commissioner Catherwood outlined what had been accomplished in New York State in facilitating production for the war effort.

Cleveland A.C.M. Votes Endorsement of Ohio Law on Assignments

Cleveland: The Cleveland Association of Credit Men, acting through its Board of Directors, has gone on record as endorsing the Ohio Accounts Receivable Law as it now stands. This action was taken upon the recommendation of the legislative committee of the Cleveland Association.

The following is the resolution as passed by the Board of Directors of the Cleveland Association:

"Our Association does hereby support and declare itself in favor of the Ohio statute regarding the Assignment of Accounts Receivable and is opposed to a validation law. The filing requirement in Ohio has worked successfully throughout the State and borrowers have voiced their satisfaction with the recording requirement."

"We sincerely believe that the Ohio law is a benefit to business, giving the opportunity to finance operations at low interest rates. This law gives creditors public notice of the intention of assigning of accounts receivable by a borrower and it does away with any secret lien in connection therewith. The Ohio law affords the assignee a valid lien. We therefore ask that The National Association of Credit Men support legislation similar to, or patterned after, the Ohio filing statute."

New York Alumni Of N.I.C. Hold First Dinner of Season

New York: The first dinner meeting of the season sponsored by the Alumni Association of the National Institute of Credit, New York Chapter, at the Hotel Martinique was greatly enjoyed by all who attended.

Mr. Nash Eldridge, president of the New York Credit Men's Association, was guest of honor and was introduced by the Alumni Association's President, Harold F. Christie, who presided.

Considering that most members of the Alumni Association are serving in the Armed Forces of our country, there was an excellent turnout. A hearty welcome was extended to five of our new certificate holders who attended.

An authentic motion picture in technicolor, entitled "Railroading," was shown through the courtesy of the Pennsylvania Railroad.

As a special attraction, captured Japanese and German War films were shown, which included Japanese shots of the preparations for and the actual attack on Pearl Harbor.

The next meeting will be held on Dec. 5 at the Hotel Martinique. A speaker from the United States Secret Service, assisted by motion pictures, will address the group on the subject of "Money."

14 Are Awarded Scholarships by Chicago Chapter

Chicago: Unusual interest is shown this year in the educational activities of The Chicago Association of Credit Men under the direction of the Educational Committee of which George E. Hedman, Kester Solder Company, is chairman.

Stimulus was added by the co-operative efforts of the Association, the Credit Women's Club of Chicago and the School of Commerce of the Central YMCA College. They united to arrange a program whereby a credit executive may in nine months by proper application be entitled to the Associate Award of the National Institute of Credit.

The Introductory Course was conducted by the Association in a series of five evening meetings, the speakers being members of the Association who contributed their services. A review was held at the close and then an examination in which the seven women standing highest and the seven men standing highest received awards of scholarships in the Central YMCA course that followed. These awards were presented at a complimentary dinner to the students. The following received the awards:

Miss Lillian Gertner, Pheoll Manufacturing Company.

Miss Esther King, Butler Brothers.

Miss Lorraine Lemanski, Butler Brothers.

Miss Jane Martin, Continental Oil Company.

Mrs. Marie Reyes, College Inn Food Products Company.

Miss Elizabeth Roberts, Hills Brothers Coffee, Inc.

Mrs. Cecelia L. Umpnhour, Boston Woven Hose and Rubber Company.

Heath T. Byford, Riggs Optical Company.

J. W. Davidson, Standard Oil Company. Clifton Hessner, General Paint and Varnish Company.

Stephen Kessel, United Autograph Register Company.

R. B. Mitchell, People's Gas Light and Coke Company.

G. R. Scott, C. P. Clare and Company, Lawrence W. Tobecken, Lindberg Steel Treating Company.

This course was followed by one on "Principles and Practices" continuing for nine weeks with Arthur L. Stang, Cracker Jack Company, as instructor. These meetings were held Monday evenings and on Wednesday evenings a class in Accountancy for Credit Purposes was conducted by K. W. Kohtala, Empire Paper Company. These classes were a part of the Central YMCA College curriculum.

Beginning in February and running through the spring semester, the College has classes scheduled in Introduction to

Economics, business letters and fundamentals of speech.

The Educational Committee is also planning a course in Insurance to be conducted by the Insurance Committee of the Association similar to the one given last winter and which proved so successful.

Charles L. Bonson Retires as Manager Chicago Adjustments

Chicago: Charles L. Bonson, for the past five years manager of the Adjustment Bureau and Business Service Department of The Chicago Association of Credit Men, has resigned his position and will retire from active business. He has purchased a nice home with plenty of ground in Glen Ellyn a suburb west of Chicago and will devote his time to his favorite hobby, raising flowers.

Mr. Bonson was for many years assistant treasurer and general credit manager of Allen A Company, hosiery manufacturers with plants in Kenosha, Wis., and in the east. When the company was liquidated in 1939 he joined the staff at CACM.

Always prominent in credit work, Mr. Bonson was on the board of directors of The Chicago Association of Credit Men for several years, becoming vice president in 1937 and then president for the 1938-39 term. He attended many sessions of the National Association of Credit Men and was widely known.

W. H. Corin, New York Credit Veteran, Dies

New York: The many friends of William H. Corin, a member of the New York Credit Men's Association since 1896 were grieved to learn of his recent death. Mr. Corin was recently feted by a number of his business associates as a celebration of forty years of continuous service with his company, the L. F. Dommerich & Co. Mr. Corin has long been considered one of the old timers of the New York Association.

Memphis Zebras Initiate Three

Memphis: The October meeting of the Memphis Herd of the Royal Order of Zebras was held at the home of Past Exalted Superzeb Joe B. Rawlings on Dwight Avenue where a delicious barbecued rib and spaghetti supper was served.

There were a large number of Memphis Zebras present and the following new members were initiated into the order:

David T. Guyton, General Motors Acceptance Corp.

T. K. Creson, Dictaphone Corp.

W. W. Halstead, D. Canale & Co.

Exalted Superzeb DeWitt T. Griffith presided and the initiation was in charge of Past Exalted Superzeb T. J. Tripp of the Mills-Morris Co.

Second Food Group Formed in New York To Discuss Credits

New York: The National Food and Allied Products Trade Division, a credit group which has operated through the New York Credit Men's Association for the past fourteen years, reached its membership limit of forty and had so many applications for admission that a second group, known as National Food Group Associates, has been formed with a charter issued by the National Food Division. This new group is headed by Wesley K. Sanders of Washburn Crosby Co., with F. R. Paxton of Louisiana State Rice Milling Co. as vice-chairman, and Philip Gesumaria of The Andrew Jergens Co., treasurer.

While the groups will meet separately, they will interchange reports and information and work in very close collaboration with each other. Art Norris of Penick & Ford Ltd., Inc., vice-chairman of the National Food & Allied Products Trade Division, procured the charter and was the organizer of the associate group.

Carl Armstrong of Drackett Products, Cincinnati, Ohio, national chairman of nine affiliated groups which operate in as many cities, attended the organization meeting of the new group.

R. G. Keyes Heads Chemical Division Of New York Assn.

New York: The Chemical and Allied Industries Division of the New York Credit Men's Association started its sixth year under the chairmanship of R. G. Keyes of The Mathieson Alkali Works, Inc. These meetings are solely for the purpose of contact and discussion, and prominent speakers are usually invited to address the members. Its first meeting in October was addressed by representatives of Prentice-Hall, Inc., while the November meeting was addressed by Raymond A. Lockwood, Vice-President of Manufacturers Trust Company, on the subject of "Termination Problems and 'T' Loans."

A. D. Whiteside to Speak at N. Y. Forum

New York: A. D. Whiteside, President of Dun & Bradstreet, will be the speaker at the December 7th Forum of the New York Credit Men's Association to be held at the Engineering Societies Auditorium, 29 West 39th Street, New York, between 5:45 and 7:45 P.M.

The Program Committee of which Harry J. Delaney, of Meinhard, Greeff & Co., is chairman, will have charge of this forum meeting. The committee is already working on plans for the Association's annual meeting and dinner to be held next February when the Association will celebrate its 50th anniversary.



What is a Customer Worth?

He represents a specific investment and a definite maintenance cost. Without him there can be neither sales nor profits. His name does not appear on the operating statement or the balance sheet — but he is there — in terms of net profits — in surplus — and sometimes, regrettably, in a bad debt charge to P. and L.

Customers will be at a premium as war activities are curtailed. Old ones must be held. New ones must be added. Doubtless, there will be business “casualties” to avoid.

Credit Interchange can help you get and hold customers — help you get larger volume and profit from each — help you prevent needless casualties.

Register NOW — with Credit Interchange — ALL of your present customers. Register every new customer *the day his name goes on your books.*

Thus you make millions of up-to-the-minute performance records available to you — to aid you in making sound decisions — to help you select profitable outlets — to warn you where steps should be taken to prevent losses.

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Offices in more
than 50 principal
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Ask any unit of our nation-wide system how you can register your accounts at nominal cost; or write

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N. Y. Credit Women Hear Address by Paul M. Millians

New York: Paul M. Millians addressed the New York Credit Women's Group on November 2 and sounded the bell for more consciousness of "The Disease of Governments." This able speaker was strictly non-political in his expression and the content of his talk naturally applied to every government in the world.

The New York Credit Women's Group was doubly honored in having him at this time, particularly as Mr. Millians was recently elected a vice-president for the Commercial Credit Corporation of Baltimore.

Mr. Henry H. Heinmann, (Executor manager on leave), N.A.C.M., also a guest at this meeting, gave a short talk on the set-up of the National Association of Credit Men.

The New York Women's Group is proud to announce membership contributions toward Christmas packages for the servicemen in the rehabilitation hospitals amounted to \$280, and these gifts are now on the way to those men who haven't any kin to remember them.

Minneapolis: Lloyd Borg, director of the Minnesota Poll and president of the Minneapolis Junior Association of Commerce, spoke at the November meeting of the Minneapolis Wholesale Credit Women's Club on the subject, "Minnesota in Miniature." Mrs. Georgie Anderson, a delegate, reported on the Annual Conference of Credit Women's Clubs, held this year in Pittsburgh, and a talk on "Know Your Association" was given by Sophia Segal. Plans were announced for a White Elephant Auction at the December party.

St. Louis: Mrs. Irma H. Friede, President of the St. Louis Board of Education, was the speaker at the Nov. 16 meeting of the Credit Women's Club of the St. Louis Association of Credit Men. Mrs. Friede, who is the first woman president of the St. Louis Board of Education, took as her subject "Women's Place in the Postwar World." The Christmas party of the Credit Women's Club will be held on Dec. 21 at the DeSoto Hotel.

Toledo: A panel discussion on Labor Relations and Its Effect on Credits in the Postwar Era was the feature of the Nov. 15 meeting of the Credit Women's Club of the Toledo Association of Credit Men. Attorney Gustavus A. Ohlinger acted as Moderator and different phases of the subject were presented by Attorney Fred A. Smith; Joseph H. Beatty, Labor Relations Director of the Champion Spark Plug Co., and by Arthur Nunweiler, Methods Engineer, of the Stevenson, Jordon & Harrison Company, Chicago.

Binghamton: Irwin R. Evans, Executive Manager of the Utica Credit Bureau, spoke at the Nov. 15 meeting of the Triple

Cities Credit Women's Club. His subject was "Credit—Receives a Promotion."

St. Paul: The Credit Women's Club and the St. Paul Credit Men's wives acted as hostesses at the recent meeting of the Northwest Credit Men's Conference. The visiting wives and credit women were entertained at a luncheon and card party in the St. Paul Hotel.

As announced in the Nov. 15 issue of the *Members' Bulletin*, the 40th club among the credit women in the various N.A.C.M. cities was organized on Nov. 6 at Bridgeport, Conn. There were 33 charter members. The first officers elected were: Anna May Dean, The Buswell Mfg. Co., President; Mrs. Hazel Fraher, Bridgeport Fabrics, Vice-President, and Catherine Lee, Bassick Co., Secretary. This club was organized through the efforts of Marian King, Hudnut Sales Co., Inc., a member of the National Credit Women's Executive Committee in this territory, and Lillian Guth, Emerson Radio and Phonograph Co., Chairman of the National Credit Women's Executive Committee.

Newark: The New Jersey Credit Women's Club met on Nov. 21 at the Hotel Robert Treat. One of the speakers was Mrs. Mabel March, of the J. J. Hockenjos Co. William H. Whitney, Executive Manager, New Jersey Association of Credit Men, also gave a talk on "Know Your Association." Dorothy Simon, Pyrene Mfg. Co., President of the club, presided.

Seattle: The November meeting of the Seattle Credit Women's Club was held at the Gowman Hotel Nov. 13. This is the annual meeting when the officers, trustees and Past Presidents of the Seattle Association of Credit Men are invited to be with us.

The guest speaker was Dr. S. H. Tashian, an Armenian who was born in Turkey. Dr. Tashian spoke of the present-day Turkey and the Near East and the part they play in world affairs.

E. L. Blaine, Jr., Chairman of the National Membership Executive Committee, has just returned from the National Board meeting in Denver and an extensive trip through the Central and Eastern Divisions where he visited many Associations. He told about the work of the National and impressions of his trip.

Louisville: The Louisville Credit Girls Group gave a very delightful Halloween party on Tuesday evening, Oct. 24, in the club rooms of the Business & Professional Women's Club in the Henry Clay Hotel.

Games were played and beautiful and useful prizes were awarded to the lucky winners. There were also a number of door prizes for those who did not win playing the games.

We were honored by the presence of Mr. and Mrs. Sam Schneider. Mr. Schneider has been away for two years and has returned to take up his duties with the Association.

Milwaukee: The Wholesale Credit Wo-

men's Club of the Association sponsored a card party Oct. 30 at the City Club. One hundred fifteen members and guests attended, enjoying cards and dessert luncheon. Door prizes, favors and table prizes. A feature of the evening was the Fortune Booth with Loretta Fischer (Geo. Ziegler Co.) handling the predictions.

President Sophia Baumgartel (Ph. Orth Co.) was in charge of the party with the assistance of a special committee: Irene Harris (McKesson-Robbins), Gertrude Lyneis (Geo. Ziegler Co.) and Ethel Bohn (Association office).

Denver: The Denver Credit Women's Club held its regular monthly business meeting at Daniels and Fisher's tearoom on Monday, Nov. 20, 1944. Following the regular business meeting, Mrs. George Phillips entertained the members with a very good review of the play "Over Twenty-one." The members found the program unusually light, as it is a policy of the club to keep the program along credit lines.

New Haven Is Host To New England Meet On November 30th

New Haven: The New Haven Association of Credit Men was the host to the New England Credit Conference on Nov. 30, the meeting lasting one day, starting at 9 A.M. and closing with a banquet in the evening. A preliminary reception and get-together on the night of Nov. 29 was well attended. Among the speakers were Governor Raymond E. Baldwin; Alfred C. Fuller, President of the Manufacturers Association of Connecticut; Professor Russell Durgin, of Yale University; Nicholas J. Murphy, Second Vice-President of The Chase National Bank, New York. Another feature of the conference was a panel discussion on the G. I. Bill of Rights. This discussion was led by Lt. Commander John Robinson, Director of Selective Service of Connecticut; Dr. Willard S. Price, Superintendent of Schools, New Britain, Conn., and Colonel Clarence C. Scarborough, Departmental Service Officer of the American Legion.

FCIB Celebrates 25th Anniversary

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as chairman at the Conference.

At the opening of the Conference, Percy M. Haight, a former National President, N.A.C.M., and for many years chairman of the Administrative Committee, now serving as honorary chairman, was especially honored as the leader of the Foreign Credit Interchange Group for so many years. A portion of the address made by Henry H. Heimann, Executive Manager-on-leave, in lauding Mr. Haight's services and also a copy of a resolution passed by the National Board at its September meeting is presented in another page of this issue.

Boston's Annual Christmas Party Set for December 12th

Boston: The Boston Credit Men's Association annual Christmas party, which has been such an outstanding success for several years, will be held this year on Tuesday evening, Dec. 12. President Alfred Polsey of the National Shawmut Bank of Boston has appointed James N. Jones of Decatur Hopkins, Boston, as General Chairman. He will be assisted by an entertainment, reception, publicity, prize and ticket committees. Instead of the usual hotel arrangements, the party will, for the second time, be held in Brown Hall, 290 Huntington Avenue, Boston. A catered banquet by Seiler, famous for his New England clam chowder, will be served.

Four New England Associations Join in Credit Conference

New Haven: The four New England Associations of Bridgeport, Hartford, New Haven and Waterbury joined on Nov. 30 in a one-day conference held at Hotel Taft at New Haven. The conference program started with a keynote address at 9.30 by Professor Russell Durgin, professor of history at Yale University, whose subject was "Observations on the War Against the Japanese." The program ran on to 4 o'clock, and adjournment was taken for dinner promptly at 5.45. This early time was established in order that delegates could make their trains back to their several cities.

Cleveland Christmas Party on December 13

Cleveland: The annual Christmas dinner dance of the Cleveland Association will be held in the ballroom of Hotel Cleveland on Dec. 13. M. C. Busic, United Broadcasting Company, chairman of the Entertainment Committee, announces a broad program of entertainment and warns that the first 360 members to make reservations for the Christmas dinner will be seated in the main dining room and latecomers must "eat in the kitchen."

Minister Speaks at Baltimore

Baltimore: Dr. Harris E. Kirk, Pastor of the Franklin Street Church, was the speaker at the Nov. 20 dinner meeting of the Baltimore Association of Credit Men. His subject was "The Spiritual Approach to Business," taking this topic as a discussion of the moral aspects of business and its vital importance especially in credit and finance.

Speaks on Taxes at Pittsburgh

Pittsburgh: William Wallace Booth, Pittsburgh attorney, was the speaker at the Nov. 14. Credo Luncheon, his subject being "Some Aspects of Taxation Affecting Credit." A large delegation from Pittsburgh attended the Columbus Conference on Nov. 10 and 11.

New York: Col. Robert T. Stevens, on leave from the presidency of J. P. Stevens Co., Inc., has been elected a Director of the Guaranty Trust Company of New York. Col. Stevens is on duty as Deputy Director for Purchases in the Office of the Quartermaster General in Washington.

Natl. Director Offer Addresses Utility Group in Detroit

Detroit: National Director Harry J. Offer spoke to the Public Utility Group of the Detroit Association of Credit Men at its regular monthly noon-day meeting held on Oct. 19 at the Detroit Leland Hotel. Mr. Offer, on a very interesting and educational talk, traced the past and present collection policy of The Detroit Edison Company. He stressed particularly the benefits which his company has derived from its membership in the Interchange Bureau and pointed out the valuable assistance received from the Adjustment Bureau on numerous occasions. It was one of the best attended meetings of the Public Utility Group since its organization several years ago.

Sales Director Talks to Bridgeport "C" Men

Bridgeport: The third regular meeting of the Bridgeport Association was held at the Stratfield Hotel on Wednesday, Nov. 8. The speaker was Austin R. Zender, General Sales Director of the Bridgeport Brass Company, on the subject "Credit From a Sales Executive's Viewpoint." The largest attendance in a number of years was on hand, and the meeting was highly successful.

Louisville Celebrates Dec. 20

Louisville: The Dec. 20 meeting will be the annual Christmas dinner and party for the Louisville Credit Men's Association. The Credit Women's Club of Louisville has accepted the responsibility for entertainment and decorations for the Christmas party.

Chandler Urges Salaried Referees

(Continued from page 27)

years of low volume, and the system provided for in the bill under which deposits will be required from the parties to bankruptcy proceedings, on account of the compensation and expenses of the referees, could be made self-sustaining.

"The reasons for the enactment of the referee bill are therefore compelling. In some respects this is a most favorable time to change to a salary system. The number of referees needed currently would be comparatively small, and consolidations of districts and reductions in the number of referees could be accomplished with the least amount of hardship. If the salary system is established when the volume of bankruptcy business is small, it can be begun upon a solid basis. I trust that these considerations will appeal to the Congress, and that the legislation so urgently needed will be enacted."

Position Wanted

Young man with accounting knowledge, capable of analyzing financial statements needed by credit reporting department of manufacturers trade association with headquarters in New York. Write Credit and Financial Management, Box 12-A.

Executive Available. Sixteen years Treasurer for large manufacturing organizations. Broad experience supervision over large groups, management and corporation problems, including insurance, credits and collections, and corporate finance. Available as treasurer, or other executive capacity with favorable post-war future. Salary subordinate to potentialities. Highest type of references. Write Credit and Financial Management, Box 12-B.

Available Immediately. Credit Manager qualified to handle capably all credit and collection problems without reference or review. Experienced in coordination of credit work with interdepartment activity; development of efficient procedures; training and supervision of credit office personnel; hiring and firing. Salary open. Write Credit and Financial Management. Box 12-C.

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We still have a few Credit Men's Fraternity neckties on hand which we would like to dispose of. Price \$1.50 each. These ties are pure silk and could not be reproduced today to sell for less than \$3.00. They would make excellent Christmas gifts. Write or call Lexington 2-7900.

FINANCIAL STATEMENT OF

[illegible]

Name of Individual or Firm _____

If Partnership, Name of Partnership _____
Corporation, Officers _____

How long established _____ Previous business experience _____
Where _____

Date of Signing Statement _____ Street _____ City _____ State _____

Witness _____ Signed by _____
Business Address _____ Title _____

A merchant who desires to protect his own best interests should recognize that his most valuable position, apart from his actual assets, is a sound, substantial and unquestioned reputation as a credit man; and that, under the prevailing conditions and demands of business, the most effective and eminently the best way to prove his basis for credit is to be willing to submit a statement of his financial condition.

*This Form Approved
and Published by*
**NATIONAL ASSOCIATION OF
CREDIT MEN**
ONE PARK AVENUE, 16, NEW YORK

PRICES, POSTPAID

Plain	Quantity	With Name and Address	Plain	Quantity	With Name and Address
\$4.80	250	\$9.30	\$16.20	1500	\$28.35
8.80	500	13.75	21.60	2000	37.80
			25.60	2500	45.80
12.00	1000	21.00	30.60	3000	53.55

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